FBIS DAILY REPORT

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LEADERS PRESENT 2D PHASE OF AUSTRAL PLAN

Alfonsin Speech

PY070042 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 7 Feb 86

[Speech by President Raul Alfonsin broadcast over the domestic radio and television network introducing the second phase of the Austral economic plan, from Olivos presidential residence in Buenos Aires; date not given -- recorded]

[Text] The moment I share with you tonight is at the same time difficult and auspicious. Auspicious because it is the time to announce a new phase in the instrumentation of the economic reform plan that began 7 months ago. The success of that phase has now opened the possibility to give the plan more depth in the direction of growth and modernization.

But it is also difficult because we must take this important economic step in a political scene suddenly strained by behavior and language which seems to represent regression on the path which Argentina has taken toward an authentic democratic system.

The first sign of that regression was observed on 14 June 1985 when we launched a plan which the people then labeled the Austral Plan. But that regression was overcome by a very important massive popular support, which backed the implementation of this plan that really transformed the economic field.

We were being accused of being pro-imperialists and agents of dependency and having even surrendered to the IMF, but the Argentine people disregarded those accusations to join the efforts for a reform plan aimed primarily at defeating the devastating inflationary spiral. As you remember, inflation at that time was around 40 percent a month. What would be the situation of the country now had the people acted on the ideas of so many fortunetellers? If the Argentine people did not make any efforts, if the Argentine people did not have any confidence, inflation by now would have eaten up all the savings of the community and would have continued to encourage capital flight and all kinds of speculation. It would have continued making salaries a short-lived illusion, disintegrating the basis of private enterprise and deviating creative energy toward speculative struggle. It would have continued demoralizing the Argentine people by preventing them from thinking about the future and obstructing the possiblity of growth. But we are now going to recover growth, which is already the main debate in Argentina because we all have to understand that no private or public investment program can be designed, and much less implemented, with soaring inflation. Therefore, any effort would be useless, any effort would not be enough. The ethical principles between honest work and daily deception would gradually fade.

Therefore, our achievements and the struggle against inflation constitute the first great structural change we have made -- not only we the government but all of us Argentines -- which means among other things nothing but the victory of honesty over dishonesty, of the future over the past. Any other reform, any new step forward, will only succeed if it is made in the framework of a stability we have won with everyone's effort.

Turning our backs on the well-known, anachronistic arsenal of accusing slogans, we, people and government, knew what we were doing. We had to rescue the Argentines' productive ability, which had been muffled in previous years by a policy that had detoured the economic energies of the country toward the road of speculation.

We knew better. We knew that in our effort to overcome the systematic corruption, it was not only a matter of returning to the economic structures and practices of the past -- which in some way had been the sources of later distortions -- but on the contrary, it was a matter of decidedly taking up the challenge of updating the structures and procedures in a transforming world that is dramatically changing its production systems.

In its first stage, the Austral plan was more successful than we and everyone else expected. It has returned order to our national economic life based on a stable currency and an inflation rate that was reduced from 40 percent monthly to 2 or 3 percent monthly. What Argentine would have dreamed in January 1985 that by December he would have before him this panorama? Who would have thought that within a year the insane obsession for keeping up with the interest rates, for running to buy dollars or for depositing agonizing pesos in fixed-term accounts as soon as one received his salary, would end?

All this would have been impossible without the Argentine people being aware of the deep sense of their effort. All this would have been impossible if all those charges and accusations disinterred from the old Argnetina had been heeded by the millions of men and women, who in the last 7 months cooperated with their confidence and maturity in this collective task. All this would have been impossible if the efforts had succeeded to undermine our self-confidence with fossilized slogans.

We Argentines are dedicated to a great effort. It is not just a matter of overcoming the crisis. It is a matter of getting ready for an even greater challenge with our effort, with the dedication of all, with our recovered national ambition. We are at a historical crossroads and we are choosing the only road possible, the road to placing Argentina on the threshold of the 21st century, beyond the year 2000, as the actors, not as back-row spectators -- as I have repeatedly said -- of the actions of great hegemonic powers.

It is not a matter of merely overcoming the economic crisis for which long years of authoritarianism and lack of moral standards are to blame. The challenge ahead of us, the challenge everyone is becoming enthusiastic about, is to build a modern Argentina, to shut the door once and for all on failure, stagnation, mirages, and allegedly effortless accomplishments.

I believe we can all agree that no Argentine is feeling tempted by easy solutions. No one is interested any more in magic formulas capable of swiftly steering us without any effort at all along the path toward well being, which we legitimately aspire to. We have been hurt too much to believe that the Argnetina we want for our children, the Argentina that we are already building, will come to us through longing for the past, and after alleged gains that have no place in the world of the future, with privileges that were, in the final analysis, responsible for our downfall.

Argentines nowadays are enthusiastic about a new country and we know that we will not achieve it through worn-out procedures and still less through slogans or nice-sounding phrases. We must climb a steep slope and it is natural, it is only human, for us to have moments of doubt, brief setbacks and even to be tempted to discontinue our efforts. I can understand this passing discouragement because it helps us realize the full scope of the challenge we have picked up.

However those who shortsightedly believe that their negative preaching can be based on these passing moments of doubt are wrong and they are working against the will and the courage of all Argentines. This democratic government will continue speaking the truth. Let others use, if they want to, the dialects of deceit. We are prepared to pay the political price that may be necessary, fully convinced that no price is too high when the future of the nation and the explicitly stated popular will is at stake. Let others choose the course based on shortcuts, sowing doubts and undermining faith. We are not afraid of criticism: we welcome it. We do not avoid dialogue just as we do not avoid the exchange of ideas. We want it because we know that truth emerges from this exchange. In the final analysis, we know that popular consensus, the basis of our government, will be achieved and because we know that the national unity we are working for requires the cooperation of everyone.

Criticism and demands that enhance democracy, however, cannot be used to sow unease, to foster despair. The government wants criticism, it is eager to hear responsible proposals and options. However, it will continue denouncing those who, disguised as alleged critics, seek to demoralize the millions who set daily examples for the leaders. It is our duty to do so. Those who do not trust the courage and the will of the Argentines will be left behind.

Today the Austral Plan will move into the first phase of its second stage. The economy minister will give you the details later.

Our objective now is to turn stability into growth, to open paths based on a strong currency, industrial development, the acquisition of technology, the expansion of the agricultural and livestock sector, and conquests in international markets.

This phase cannot be promoted by any means other than that used for the first phase, that is, through you. Today we are, as we were in June 1985, faced with the alternative of failure or success, which merely represents the alternative between continuity and the shattering of that unwavering popular will that has been the heart of everything we have done so far.

I reiterate once again: Everything we have done has been the result of the joint effort. Success has been achieved through the effort made by everyone, but especially by the low-income sectors; by those who have less, who during these past months have shown a courage and patriotism which has become, from my point of view, a true credit among society. Society is indebted to the lower-income sectors in Argentina and we should all be aware that as economic difficulties disappear we should turn to these sectors to give an increasingly effective response to the problems related to the search for social justice.

Today, as in July 1985, the Argnetine people and government are sick of hearing the same thing. Moreover, we know by heart what we are going to be told. The entrenched rightist sectors accuse us of not relinquishing state control and of various forms of interfering in the country's economy. The entrenched leftist sectors might accuse us of denationalizing the country's economy, while the well-known demagogues use one or the other argument, and the skeptic sectors will undoubtedly insist that the objectives we have announced are not feasible.

In the face of these circumstances, I believe we must get to the bottom of things. We have said that pluralism is the base over which democracy is built. Pluralism means acknowledging others and the capability to accept differences and disagreements as the condition for the existence of a free society. Democracy rejects uniformity. However, democracy likewise demands the necessary capability to carry out collective tasks. However the responsible exercise of differences and oppositions demands nonetheless a basic consensus among all social sectors.

Not everything should be a struggle, not everything should be opposition. We must seek common denominators. It is particularly the responsibility of the political parties to promote the will for democratization in society: that is to say, the legitimacy of dissent, the acceptance of the basic rules of social coexistence, the respect for differences, the will for participation, and the consolidation of ideas of integration and solidarity, expressed through an attitude of cooperation, which always opposes agressive and offensive behavior and selfish individualism.

This is the challenge now. Every one of you should realize that the government tries at all times to live up to the magnitude of the enterprises. I do not know if there are in Argentine history events showing a similar dedication to integration. The government, which has been legitimized three times by popular elections, has not hesitated, however, to call on politicians of different political parties, who, endowed with patriotism, are willing to enrich the democratic process with their support.

Despite this, many sectors advocate the vicious struggle that leads to a fight of everyone against everyone, and actions are carried out in front of the government as if it were not a government of democracy but as if it were a dictatorship. They went so far as to promote opposition fronts, which took a long time to materialize during this process.

To do this a basic accusation is made: the alleged insensibility of the government for not unilaterally suspending the payment of the debt. Let us be clear about this. They are demanding from us, of all things, a measure that no government in the world, either capitalist or socialist, has ever adopted. We are reproached for our resistance to becoming some kind of an extravagant world exception to a rule that for obvious reasons cannot be violated.

What is the argument upon which this demand is based? You have all heard it. It is said that if we do not use the surplus of our foreign trade for servicing the debt we can use it to promote the growth of the country, to finance social programs, etc, etc. But if we unilaterally suspend the payments that service the debt, this measure will be of no help to promote the country's growth because this growth depends on our relations with the world and not with Argentina alone. If we break with the international system on which our income depends, our income will decrease considerably. There could be no possible increase. If we break our international commitments we will no longer be, sooner or later, within the framework of foreign trade, which is where we obtain our resources.

Therefore, this is really an absurd position. Just think now that a general strike was declared here based on that faulty argument which no government in the world has so far recognized. Also, an agitation campaign of the type only understandable in the struggle against a dictatorship has been carried out against the Argentine Government. A democratic government can only be treated in this manner in a country where the leadership has still not learned the substantial lessons of a democratic culture.

What would happen if the philosophy of certain leaders could turn the minds of the people? What would have happened if that philosophy, which was already evident in June 1985 when we launched the Austral plan, had affected the behavior of the population? We would probably have 40-percent inflation today and still be enduring our frustrations of running daily to the different currency exchange offices. The results would be the same if the shouts we hear nowadays undermined, in this new stage of the Austral plan, the people's confidence, which was the support of the first stage. However, we know that this will not happen.

We all know that we, as much as our Latin American brothers and the developing world in general, are suffering the consequences of an unfair international economic order. The downfall of the price of our exports, the irrational amount of our debts, and the high interest rates actually constitute an unsustainable world situation, which is a consequence of the selfishness of the industrialized countries, which do not hesitate to threaten universal peace by reducing to poverty and stagnation the less developed countries through the application of protectionist policies, of ever-growing interest payments, and of high interest rates.

Our reply to this, regarding Latin America, has been the Cartagena Consensus, and regarding the world, the declaration of the Group of the 24. Our proposals are known by the Argentines. In turn, you know that our proposals were accepted by the rest of the countries. This has been demonstrated by the lowering of the interest rates, which had reached historic levels and which were 1 or 2 points above inflation; by the increase of resources from the multilateral credit organizations; and by the elimination of the hateful discriminations we suffered in the foreign trade field.

Among all of us we achieved something that seemed impossible. Growth is easier now. Let's maintain the clear national ambition of growth. We must not conform ourselves and we must likewise reject magic solutions. There are no magical solutions. We will achieve everything, but everything will be achieved with effort.

We must operate within an extremely difficult international status quo but we do have an advantage: we are respected. We are respected because we are serious, because our international policy is based on the same guidelines that apply to our actions inside our own country; because we make no differences between foreign and domestic moral standards. Furthermore, we must work within the framework of a highly complex domestic situation, but here too we have a key advantage: we have you, we can count on our people.

We Argentines are a restless people, open to new things and change. Our country is the result of inventiveness and creativity. These virtues are the best of our cultural tradition. They are as necessary today as they were in the past when vast empty lands had to be turned into an environment for personal accomplishment for future generations.

We are talking about changes and reforms and we do so in the assurance that these are the words that Argentines prefer to hear today. We Argentines do not resign ourselves to letting the future slip through our fingers while we cling to old models and old conflicts that have often paralyzed the country's will to create and grow. This will to create and to grow is today more alive than ever and we will take advantage of it to respond to the challenges of our days. Thank you.

Sourrouille Address

PY072052 Buenos Aires Domestic Service in Spanish 0032 GMT 7 Feb 86

[National address by Economy Minister Juan Sourrouille broadcast over the domestic radio and television network announcing the second phase of the Austral Economic Plan, from Olivos Presidential Residence in Buenos Aires; date not given -- recorded]

[Excerpts] Good evening. Tonight I would like to speak to the Argentine people in the name of the national government, to confirm the objectives of the economic reform plan that began on 14 June 1985, and to announce in general terms the initiatives which will give a new impulse to the project of growth with stability.

I am going to address three issues: what we have done, how to consolidate what we have done, and how to strengthen such efforts in the future. Only 7 months ago the government called on the people to support a priority project both in the economic and political fields: an all-out struggle against the violent inflationary process within the framework of equal burden-equal benefits.

The support given by the population and the administration of the economic policies has allowed us to attain results which until only recently seemed difficult to imagine. For 10 years the Argentine people did not have what they now enjoy: the opportunity to value the peace and tranquillity which monthly inflation rates of 2 to 3 percent allow.

We are living in the midst of the most profound crisis that Argentina has experienced in recent years, and there are times when the burdens of our just dissatisfactions have made us lose perspective. This is why it is necessary to stop and consider what was left behind.

In making a general summary, it should be pointed out that according to the National Statistics and Census Institute, the real salary level in December 1985, whichever system is used to measure it, was higher than the annual average registered in the last 10 years with the exception of 1975 and 1984, 2 years which were followed with high inflation.

So far, the overall result of the economic reform plan allows us to say that there are very few cases in which a program has achieved so many positive results in such a short time and with such low social costs. We believe that this fact cannot be questioned. The mistakes that could have been made cannot be used to discredit a clearly favorable balance achieved through the solidarity of the Argentine people.

However, by talking about the economic activity, employment, and salaries we do not pretend to diminish the negative aspects of the current situation. We could not do that. By drastically curbing inflation the economic reform plan has brought to the surface the scope of a recession that was developing.

We can now say that the present level of stability has a firm basis. While in 1984 the deficit of the public nonfinancial sector was 12 percent of the GDP, at the beginning of 1985 it was reduced to 5.5 percent, and in the second half of 1985 it was only 2.4 percent. It is worth pointing out that the financing of the deficit was covered with existing state resources.

In this manner, the national government honored its word not to resort to the issuance of currency. We cannot fail to mention that this deficit includes the interests of the foreign debt which equals 5 percent of the GDP. If these interest rates are excluded from the fiscal expenditures, it can be said that the public sector has achieved, for the first time in many years, an operating surplus during the second half of 1985. This gives a complete picture of the great adjustments made in the public accounts.

By getting the fiscal deficit under control, inflation was stopped. This inflation was eroding daily the value of money and affecting the low income sectors. The result of this decision did not only provide the state with genuine resources, but brought other results. The transfer of the foreign debt, contracted by the private sector to the state during the military government, forced the government to take over the payments of those interests. This situation introduced a new restriction in public finance because the transfer was not accompanied with new resources. This is why there was an issuance of currency to meet those commitments.

The monetary policy that was implemented on 14 June resulted in a notable increase in the demand for currency, current accounts, and time deposits. This increase was undoubtedly the result of the credibility that this program generated among the people through the decrease of inflation. The result was that the monetary supply grew at a rate substantially higher than that of prices, without pressuring the property and currency markets.

This process, which is usually called the monetization of the economy, is still far from the historic levels that Argentina has previously achieved, but it must also be noted that the circumstances that prevailed were also quite different. We had never had such a high inflation rate as that experienced in June 1985 nor had currency sunk to such a degree of discredit among the people.

Unlike what happened a few years ago, the present monetization process is mainly based on the substantial increase of cash in personal bank deposits and current accounts and not in time deposits. These private accounts increased by an average of 120 percent in real terms, from June to January, which shows that the people have gained their trust in their currency.

Moreover, this monetization process also resulted in an increase in credits in the private sector in the last few months. This increase was not only in real terms, but also at a pace slightly higher than the average loan rate. In fact, between June and September 1985, credit in Austral to the private sector increased by 45 percent in real terms.

Today we must be more alert than ever because there are sectors that daily demand salary increases without caring about the effect that these increases will have on the general stability of the economy. The risks of experiencing a galloping inflation rate that were so obvious 7 months ago are being carefully covered up by those who have a lot to gain with its return, and thus predispose public opinion to disregard the results of the efforts that have been made.

It is true that there are salaries and prices that must be readjusted, but the challenge lies in resolving these situations by achieving stable prices instead of resolving present problems through the enforcement of exaggerated adjustments and the slackening of fiscal and monetary discipline. This will only create the atmosphere for a new increase in inflation.

Although there are some who deny it or ignore it, in today's Argentina the alternative of achieving economic growth with stability is inflation with recession. The national government is aware of this and will firmly uphold its commitment to the people, who are the only ones who are truly responsible for the progress that has been achieved. This commitment is implemented in the 1986 budget that is being submitted to the honorable National Congress.

The deficit estimated for 1986 is just 2.9 percent of the GDP, that is, almost half of that of 1985. It will be financed through foreign credit and without resorting to the issuance of new currency. Certainly, these are very demanding objectives, but this is the way it must be in view of the prevailing situation. The country has to make a great effort to rebuild its economy and the national government must help achieve this goal by an austere and efficient handling of its finances.

For the third consecutive year, total expenditures have been reduced. This year they have been reduced by 1.6 percent of the GDP which represents approximately 1 billion australs. This reduction was achieved despite the 0.5 percent increase in capital expenses by decreasing current expenses by 2.1 percent of the GDP. The allocation of public resources is in keeping with the government policy of making a fair distribution of efforts in all national sectors and with its plans to promote a true economic recovery.

As in 1984 and 1985, the government has increased allocations for social works, while major funds have been allocated to the promotion of the industrial and mining sectors, the increase of imports and the fertilizers program.

The expansion of exports and investments is within the framework of an industrial policy that seeks to harmonize economic growth with stability; present demands with future needs; promote capitalization and technological modernization with the recovery of regional economies and the promotion of medium-and small-sized undertakings. It is on these guidelines that the national government plans to promote economic growth through mechanisms combining fiscal and credit incentives with the promotion of the industrial sector.

We are in a position to announce the launching of special export programs. The objective of these programs is to increase the exports of production, export, and trade companies, trade consortiums, and small-and medium-sized companies. The national government will sign agreements that will establish export programs with minimum growth of $2 million per year for a period of no less than 2 years. The benefits to be granted encompass a fiscal credit of up to 15 percent of the FOB value of those exports that have been committed and an additional fiscal credit of up to 5 percent when this entails the opening or the recovery of markets and the corresponding refinancing program offered by the Central Bank.

These benefits will be subjected to a set of regulations that will give priority to those programs that present the best balance of currencies and greatest profits resulting from the income derived from exports and the program's fiscal and financial expenditures. The implementation of these special export programs will, in 1986, allow us to achieve an increase in industrial exports totaling $500 million.

To meet requirements in the industrial area we have adopted a group of initiatives. They are: a credit line aimed at financing the purchase of capital assets produced nationally. The amount of this financing will cover between 50 and 80 percent of the purchase price and the amount of the credits cannot surpass 500,000 australs; a credit line for small-size companies to facilitate both the purchase of capital assets manufactured in the country and the financing of its working capital. The maximum amount of each credit will total 150,000 australs for the purchase of capital assets and 50,000 australs for working capital; a credit line within the framework of the prefinancing export plan with specific amounts for regional products and for small-and medium-sized companies; a credit line for small-and medium-sized companies aimed at supporting programs that have the endorsement of scientific-technological research organizations recognized in the country or which began in these organizations.

The financial resources involved in these credits are compatible with the government's fiscal and monetary policies and they total about 400 million australs to be managed through the National Development Bank. The housing policy will play a major role in the reactivation of the economy. Sixty-five thousand housing units are under construction and we will begin building at least 85,000 new units this year.

The public sector will make a great based on three factors: First, the Fonavi [National Housing Fund] will have larger funds, because contributions are now larger and because evasion has been reduced; second, the average cost of each unit will drop from 15,000 australs in 1985 to 10,000 australs in 1986, third, a 160 million-austral foreign credit will be available to build new units.

The private sector will be further promoted by new financial mechanisms, by the consequent expedient sale of the new housing units, and by the completion of the units that are now under construction. Under this program, which the housing secretary has already announced, some 10,000 units will be put up for sale. Seventy percent of the price of each unit will be financed over a period of up to 15 years. In addition, a savings and loan system will be established in keeping with the various income brackets.

These measures will significantly promote a sector that has been badly affected by a serious crisis over the past few years, and will meet an imperative social demand. However, only if we are able to grow with stability, a target we can attain through the initiatives we have put forward for 1986, will we be able to successfully cope with the problems our country is now experiencing, like unemployment, salaries, and production.

In this regard, we must speak clearly and reject the illusion of a temporary reactivation, which would only increase the imbalances, inflation, and unemployment. The governments that yielded to sectorial pressure promoted the economy at any cost. They increased public spending and the issuance of currency and had to adopt drastic stabilization policies after a short period. Thus the cure was worse than the disease.

The transfer of state-run companies to the public sector has two objectives: to restructure the public sector and to reorganize the industrial sector in which those companies operate, in order to increase efficiency and productivity. To facilitate the attainment of these objectives, the government will help new company owners to obtain foreign financing. In addition, World Bank support will be available.

The funds received in payment for the transferred companies will be used to create a fund for industrial development and modernization. This fund will be primarily allocated to those projects that will reduce the cost of production of inputs, to the purchase of capital goods, to the acquisition of technology, to the promotion of sophisticated industries, and to the development of industries with strong regional impact. Thus, the transfer of state-run companies to the private sector will be another tool for promoting growth. Therefore, the objective of this major decision is not merely to sell assets to finance current expenditures, but to promote investment in sectors that are important for our future.

The consolidation of the achievements under our policy of growth with stability does not depend on our efforts or our successful choices alone. Argentina, like other Latin American and developing countries, can be affected by events beyond its control. The low prices paid for our exports and the high interest rates burdening the loans that were contracted without any restraint are beyond our control. However, we do have to suffer the consequences. We must recall though, that such consequences are the result of some measures adopted by the governments of some industrialized nations, which have been unable to cope with the situation, unlike debtor countries, which have done so with many fewer resources.

Protectionism, subsidies, fiscal imbalance, and high interest rates are the main traits of an international situation which we consider unfeasible and unsustainable. We once again reiterate that the solution will come through a political dialogue between the industrialized and the developing countries, aimed at creating a new world economic system without inflation, with growth, stable prices, and low interest rate. The Latin American countries that signed the Cartagena Consensus and all the developing countries -- represented by the so-called Group of 24, which Argentina will have the honor to head this year -- have long posed this demand. This preaching seems to have had some partial success. In fact, we have seen a political initiative regarding the debt problem, which admits that the formulas of the past have failed and that it is imperative to grow.

OPPOSITION, ALLIED POLITICIANS RESPOND TO PLAN

Communists Denounce Plan

PY111949 Buenos Aires CLARIN in Spanish 9 Feb 86 p 20

[Open letter from Argentine Communist Party Central Committee -- paid advertisement]

[Text] The speeches of President Alfonsin and his Economy Minister forecast hard times for the workers and the people. Without hearing the people's claims, we are on the way of the second round of the "Austral Plan." This is going to happen despite the 24 January national stoppage, which was a clear mandate against the "Austral Plan" and its submissive policy to the IMF.

The government contends that the curbing of inflation proves the success of their plan. What is not told, however, is that the plan's success has been achieved at the expense of greater hunger, unemployment, and misery for the workers; of the bankruptcy of small and medium-sized businesses; and of the hardship of the industrious peasants. What is not told is that inflation, which was curbed under these conditions, still undermines the only thing that really remains frozen -- wages. [Former Economy Minister] Martinez de Hoz also curbed inflation at the same price.

Far from altering it, the measures announced by the government reinforce this submissive situation, of which the main objective is to pay the foreign debt and further concentrate economic power with those who benefit from the plan, namely the oligarchy and the local and foreign monopolies. On 14 June when the "Austral Plan" was launched, stirring false expectations, we predicted this single, inevitable outcome. The facts have borne out our predictions. Now we are warning that the pompous "first phase of the plan's second stage" consists of paying the debt with our internal trade surplus, the salary and work of the Argentines, and the surrender of our soil, as well as the profitable state iron and steel works and petrochemical industries. What will come next?

No former administration, not even [former Argentine President Arturo] Frondize dared to do so much. We must prevent this privatization plan through the workers and people's struggle, as the widespread defense movement of the Argentine Iron and Steel Joint Association, [Somisa], which wishes to retain its nationalized status, is doing.

For many years it has been said that public companies are inefficient, and that they lose money because they are not motivated like private ones. This campaign is sponsored by the same sectors and people that have sabotaged the public companies, emptied hundreds of other companies, caused the flight of capital abroad, and benefited from state subsidies and financial speculation, thus generating the unpayable foreign debt. They are the same people who, through the Baker plan, World Bank, and government credits, will take over the public companies: an indivisible part of our national sovereignty. The debt will increase and a poorer country will have to keep paying. During the 2 years of this administration the foreign debt has grown from $46 billion to $52 billion.

All this is being done in name of modernization! What is so modern about applying theories of [Deputy Alvaro] Alsogaray and company? Since when are submission and dedication anything new? The new thing in this world is the progress of the national liberation projects and not the submission of our country to Yankee imperialism or the "industrial tycoons," disregarding the platform of the ruling Radical Party and its electoral promises.

Efforts are being made to show a nonexistent contrast between the so-called supporters of modernization and those who by opposing the direction taken by the government are considered advocates of backwardness. Nothing could be more false. No real progress or modernization will be achieved without a stable democracy if we do not break from dependency.

We warned at the appropriate time that a swing to the right in the economic sector would eventually lead to a swing to the right in the political sector. The repression of the demonstrations against David Rockefeller, the impunity of the "Guglielminettis" [referring to a police detective charged with committing excesses during struggle against subversion]; the promotions of [Captain Leopoldo] Cao and [Major Jose] Granada [officers charged by the government for their involvement in actions aimed at destabilizing the democratic government and the disruption of public order], Alfonsin's McCarthy-style Villa Regina speech and the provocations by the intelligence services that have been reported by the CGT [General Confederation of Labor] clear evidence of this.

In addition, we now have this demagogic, authoritarian, and threatening message which is an insult to the opposition, to the people's demands, and particularly to the workers movement and their struggle. But what is even more offensive is that they are speculating with the logical fear that people have of returning to past experiences, and that they intend to change the slogan "No More Coup D'Etats" that has been raised by our people and make it become "No more struggle, No more demands, No more strikes." This is why it is necessary to take a strong action in defense of public freedoms.

Those of us who struggle to change this nefarious economic policy, and to promote one aimed at achieving a more equable economic policy, bread and work and a moratorium on the foreign debt, are not the ones who pose a threat to democracy. It is those allies from whom Alfonsin seeks his support. It is this antinational and antipopular economic plan that they insist on implementing. They are trying to disqualify the people's demand for a moratorium on the foreign debt by resorting to empty phrases and false arguments. It is false that no country has ever resorted to this alternative. Beginning with the United States and the United Kingdom, there are many examples.

It is also false that if a moratorium is declared our trade will collapse, because we trade mainly with Latin American, socialist and Third World countries. Moreover, trade with creditors -- usurers -- particularly the United States, has been always detrimental to Argentina since they always impose unfavorable terms. The truth is that with its obedient and punctual payment, the government is not measuring up to other Latin American countries, like Peru, for example.

In his zealous effort to discredit everything, the president insists that the opposition has no proposals to make. But the Argentine Communist Party, the People's Front, the CGT and many other social and political groups have similar proposals based on the declaration of a moratorium on the payment of principal and interests of the foreign debt and on the enforcement of a new international economic order.

The National Unity Congress, which has been called by the CGT, and which we wholeheartedly support, may result in a vast mobilization plan with an alternative to the Austral plan. This alternative plan is to be based on the 26 points issued by the CGT, which has vast popular support. Therefore, the workers and people's struggles may be coordinated into a powerful patriotic movement that will try to enforce a moratorium and implement a great change in the government's economic policy.

The different struggles that took place in January 1986 showed that there are different proposals and that there is enough strength to achieve them. It showed the power of the People's Front and its capacity to promote a patriotic alternative.

It is not fatal for Argentina to be a trading post. Through unity and struggle, we shall be able to make it into an independent and prosperous nation. This is the true defense of democracy, which is inseparable from the people's participation, from social justice and categorically opposed to imperialism and oligarchy, which are responsible for and the beneficiaries of all the coups d'etat that have taken place throughout Argentine history. Facts show that there is either freedom or dependency; that there will be no just salary, work, development, or complete democracy if there is no stop to monopolies and oligarchy. The starting point is to declare a moratorium on the foreign debt. Either you support the people's actions against the IMF or you support the IMF's actions against the people.

Buenos Aires, 7 Feb 1986

Central Committee of the Argentine Communist Party.

Other Parties, Unions Reply

PY081209 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Feb 86

[Text] The speeches that president Raul Alfonsin and Economy Minister Juan Sourrouille delivered on 6 February have awakened different reactions.

National Radical Deputy Cesar Jaroslawskiy has said that the speech by Alfonsin was simply extraordinary, because he addressed the people in clear and realistic language. As for the speech by Sourrouille, Jaroslowskiy said that it was spectacular and that it showed that we are heading for a new, developed Argentina.

Eduardo Setti, economy secretary of the National Justicialist Council, has said that the speech by the economy minister has not changed anything and that history will pass judgment on him. Justicialist Deputy Antonio Caffiero has said that the presidential speech reflects a sharp, groundless, and unfair prejudice against the opposition.

Intransigent Party Deputy Oscar Alende has said that he is categorically against transferring the General Mosconi Petrochemical Company to the private sector, which was announced last night because this company has made good profits, has replaced imports, and has made profitable sales abroad.

Rolando Prieto, president of the Argentine Chamber of Industry, said that the government has put forth a very interesting proposal, although it is necessary to know the details to make a proper appraisal.

Intransigent leader Nestor Vicente said that the speech by the president was upsetting because it revealed intolerance toward the opposition.

Democratic Center Union [UCD] Deputy Alvaro Alsogaray said the speeches stressed what the UCD has always advocated, that is, to increase the level of exports and investment.

Justicialist Deputy Roberto Digon said he agreed with some of the measures announced yesterday, like the aggressive campaign to boost exports.

Miguel Candone, secretary general of the Union of Civilian Public Servants, has said that the proposal to sell the profitable companies to the private sector is an affront, and that instead of reducing the size of the public sector, the state must become more efficient.

Socialist Confederation Secretary General Oscar Palmeiro has said that the presidential speech was very discouraging because the president insisted on a confrontation with the CGT [General Confederation of Labor], which only wants to defend the rights of workers.

Eduardo de Zabalia, the head of the rural society, supported Sourrouille's and Alfonsin's proposals to maintain a policy of stability. However, he deplored the fact that the agriculture and livestock sectors are considered areas of secondary importance.

Radical Deputy Jesus Rodriquez said this morning that there is no disagreement over the privatization of state-run companies within the government. Company assets will not be sold for financing public sector salaries but for creating an industrial development and modernization fund that will aim at developing Argentine technology in line with our economic and strategic goals, he said. He added that this decision is substantially different from past proposals. As for the critical remarks that various political sectors have made against the government, Rodriquez said that some parties are acting as if we were still living under an authoritarian regime.

DEFENSE MINISTER DISCUSSES PROTECTION OF SOVEREIGNTY

PY151443 La Paz Cadena Panamericana in Spanish 1130 GMT 15 Feb 86

[Excerpts] A few hours ago the National Security Council called attention to what has been repeatedly reported by civic institutions as foreign penetration in certain regions. Such reports have often been made and, in addition, we now have the statements made by Defense Minister Luis Fernando Valle:

[Begin recording] It has already been reported that the government has taken the necessary measures to verify the penetration of Brazilian citizens into the northwest of the country, mainly at the Madera and Madre de Dios Rivers and in the region known as Araras. A report has been written, and it has been clearly proven that there is a peaceful penetration of Brazilians and citizens of other nationalities who dedicate themselves to seeking gold.

The National Security Council has published a report that brings out three basic aspects: First, that clearly there is a penetration by Brazilian citizens in the exploitation of gold-bearing sands in the region of Madera and Madre de Dios Rivers. Second, that those foreign citizens enter our territory mostly by night in that region to (?exploit) our natural wealth. Third, we have made the basic observation that it is of fundamental importance for us to take measures to safeguard national security, such as establishing settlements at the open borders and establishing military posts there. In the third place [as heard], it is indispendsable for the Bolivian Navy to be provided with the necessary means for patrolling and for defending our sovereignty. [end recording]

It has also been suggested that the Armed Forces National Development Corporation and the Mining Corporation of Bolivia together with the Bolivian private sector install gold mining centers, which will also be landmarks of national sovereignty, Minister Valle added.

BARTHELEMY DENIES TERRORIST MEETING HELD

PY142151 La Paz Cadena Panamericana in Spanish 1700 GMT 14 Feb 86

[Text] The interior minister has noted that the security services under the control of the Interior Ministry are in control of the national situation and that therefore, they believe that for the time being it is not feasible for irregular armed groups to be in the country.

Interior Minister Fernando Barthelemy explained some contradictory reports that resulted from recent statements issued by Interior Ministry Under Secretary Guido Leruvia and himself.

[Begin recording] I believe that what basically happened is that there was a leak to the press. Well, I cannot really say precisely what happened. Yesterday, I noted what we learned a few days ago, that the whole issue concerned the holding of a meeting of extremist groups having terrorist or (?Trotskyist) learnings somewhere in the country, perhaps Santa Cruz or somewhere in the southern region, perhaps in the city of [name indistinct].

We were really investigating the veracity of these reports. We are able to inform the public opinion that this meeting did not take place, probably because the extremists learned that we knew about this meeting or perhaps because the reports were false. What is obvious is that the meeting did not take place, but that there were plans to hold it. [end recording]

Barthelemy added that perhaps Interior Ministry Under Secretary Guido Meruvia made a mistake when giving information about this meeting. However, Barthelemy noted that it is not ruled out that international extremist groups are planning to meet in Bolivia in the near future.

[Begin recording] No, this has not been ruled out. According to reports there is a plan to hold such a meeting. We believe that Bolivia has been chosen for this meeting because it is believed that Bolivia lacks the necessary resources and possibilities to detect these groups. However, I believe this is wrong. We have an information system that is operating perfectly well. We have an intelligence community that coordinates its actions among the Armed Forces, the Interior Ministry, and the Bolivian police which will be able to detect actions of this sort. [end recording]

Interior Minister Berthelemy made this statement this morning at Government House.

UNITED STATES TO PARTICIPATE IN JOINT MANEUVERS

PY142026 La Paz EL DIARIO in Spanish 31 Jan 86 p 3

[Excerpt] Bolivia and the United States will conduct joint maneuvers in Cochabamba Department and in part of eastern Bolivia at the end of March. This announcement was made by Armed Forces commander in chief General Raul Lopez Leyton, who talked with one of our reporters. Gen Leyton explained that the details of the maneuvers were arranged during the visit that General John Galvin, chief of the U.S. Southern Command, paid to Bolivia.

The Bolivian commander said that during a meeting he held with Gen Galvin they exchanged ideas on how to strengthen the ties of friendship joining the U.S. and the Bolivian Armed Forces.

Concerning the assistance that the Bolivian Armed Forces have received, Gen Lopez Leyton said that the two nations have signed bilateral agreements and that aid comes through the Military Aid Program, the Foreign Military Sales, and the International Military Education and Training, which are three types of cooperation programs sponsored by the United States. He said that under these programs, which were carefully analyzed, Bolivian officers receive training at the School of the Americas in the areas of radio, communications, etc.

Gen Leyton added that the joint maneuvers and the organization of the staffs were thoroughly discussed during the visit of the U.S. officer. The Army, the Navy, and the Air Force will participate in the maneuvers.

For his part, Defense Minister Dr Luis Fernando Valle has said that during Gen Galvin's visit a decision was made to regularly stage joint maneuvers to allow the Bolivian officers to apply in our own territory what they have learned with modern military equipment.

SARNEY REFUTES ABREU SODRE ON COMPUTER POLICY

PY142049 Paris AFP in Spanish 2217 GMT 13 Feb 86

[Text] Brasilia, 13 Feb (AFP) -- Less than 24 hours before the swearing-in ceremony, President Jose Sarney today refuted a statement made by Roberto Costa de Abreu Sodre, the future foreign minister, who had referred to the law closing the Brazilian computer market. Abreu Sodre said on 12 February that the law might be changed to give a chance to the large multinational companies, which have no access to the Brazilian computer market. Sodre said that Brazil can preserve its independence without harming the countries that want to promote their exports. The FRG, the United States, and Japan are the three countries which have most strongly pressured Brazil to open its computer market.

The presidency today issued a communique which, without mentioning Sodre, warns that Sarney will not, under any circumstances, change the computer market closure law. The communique adds that the computer market policy, now implemented by the Sarney administration, was voted on and approved by Congress, where then Senator Jose Sarney supported it. This policy takes national interests into account and will be neither changed nor made more flexible, the communique concludes. Sodre, who is scheduled to replace foreign minister Olavo Setubal on 14 February, has been strongly criticized by JORNAL DO BRASIL, an influential newspaper.

SARNEY INSTALLS NEW CABINET MINISTERS

PY141340 [Editorial Report] Brasilia Domestic Service in Portuguese at 1100 GMT on 14 February begins live coverage, from Planalto Palace in Brasilia, of the swearing-in ceremony of the new ministerial Cabinet. President Jose Sarney presides over the ceremony and makes a 9-minute impromptu speech at the end of the swearing-in ceremony. The ceremony begins with the reading of the names of the following ministers:

Minister of Foreign Relations	Roberto Costa de Abreu Sodre
Minister of Transport	Jose Reinaldo Carneiro Tavares
Minister of Agriculture	Iris Resende Machado
Minister of Education	Jorge Konder Bornhausen
Minister of Health	Roberto Santos
Minister of Industry and Commerce	Jose Hugo Castelo Branco
Minister of Welfare and Social Security	Rafael de Almeyda Magalhaes
Minister of Culture	Celso Monteiro Furtado
Minister of Urban Development	Deni Schwatz
Civil Household Chief	Marco Antonio de Oliveira Maciel
Minister of Irrigation	Vicente Fialho
Legal Adviser of the Republic	Jose Paulo Pereira Ramos

At the end of the swearing-in ceremony, President Jose Sarney addresses the new ministers and thanks the outgoing ministers for their service to the nation. He recalls Tancredo Neves' agony and the ceremony he had to preside over on assuming the presidency. He says that "the new ministerial Cabinet is a continuation of the new republic. It is not the president's ministry, but the ministers must be loyal to the president."

President Sarney goes on to say that his only objective is to serve the country and the people. He states: "In his famous blood, sweat, and tears speech, Churchill began with the word "work": work, blood, sweat, and tears. Work is the key to our unity, and the basis of our objectives. We are going to continue with our social programs, with the projects that are necessary for progress. We are going to continue improving the economy, maintaining development, saying "no" to recession, to unemployment, and to the decentralization and denationalization of our industries. [sentence as heard] We are going to fight against corruption, and we will make sacrifices for the poor and the oppressed to rebuild Brazil."

ABREU SODRE ON CARTAGENA, CUBA RELATIONS

PY171811 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 17 Feb 86

[Text] The Brazilian Foreign Ministry may issue a statement today on reports that Brazilian citizens have invaded Bolivian territory in search of gold, rubber, and chestnuts. Since 16 February Itamaraty has been informed of irregularities in this respect, but owing to the Cabinet shuffle, it has postponed its reply to a Bolivian Government complaint on this subject. Late last week, Foreign Minister Abreu Sodre held successive meetings with Itamaraty Secretary General Paulo Tarso to discuss the Foreign Ministry's schedule of activities. Abreu Sodre, who takes charge of Itamaraty today, hopes to promote an internal shuffle. He noted, however, that his team will be made up of basically the same aides who worked for outgoing Minister Olavo Setubal, although holding different posts.

Abreu Sodre stated that he will emphasize a good neighbor policy with all Latin American countries so that Latin America may speak with a single voice to the rest of the world. In his opinion, only a united Latin America can hold a sound dialogue with the developed countries. Thus, he said, he will seek to strengthen the Brazilian backing of the Consensus of Cartagena, which is made up of 11 Latin American countries seeking a political solution to their foreign debt problem. Abreau Sodre said Brazil will not change its current policy on the Central American crisis. Regarding resumption of ties with Cuba, he said the subject is under study and that further negotiations will be necessary at various levels before a final decision is made. On 26 February, Abreu Sodre will attend a meeting of ministers of the Cartagena Consensus in Punta del Este. He will go to Uruguay again on 6 March, this time to attend a meeting of the Group of 24, which is seeking to formulate a unified trade policy.

OPPOSITION, GOVERNMENT LEADERS DENOUNCE TERRORISM

Historic Socialists Declaration

PY160008 Santiago LA TERCERA DE LA HORA in Spanish 6 Feb 86 p 6

[Text] Juan Gutierrez, secretary general of the Historic Socialist Party, yesterday disclosed a declaration by his party emphatically repudiating terrorism. The declaration states as follows:

"The political commission of the Historic Socialist Party has learned about several terrorist actions known to the public. Also, regarding information about the illegal arrival of weapons, guerrilla fights in the south, etc., we would like to state the following.

"1. We repudiate the terrorist action that took place today, Wednesday 5 February, at 0830, at the intersection of Eyzaguirre and Santa Rosa Streets. We express sympathy for the wounded persons and their relatives.

"2. Once again we continue our effort to stop all those who excite the people and promote an open encounter as a solution to the current Chilean problems. We believe that what is now needed is understanding on the part of our rulers and generosity from us, the opposition.

"3. Once again we make an appeal to isolate terrorism, which is an enemy of democracy and an ally of oppression.

"4. Our definition coincides with the aspirations of the majority of Chileans. We seek democracy and freedom, and this will be possible if the importance of popular sovereignty that our society deserves is recognized.

"5. In the next few days our party will deliver a letter to all the Chilean political parties requesting a broad consensus against terrorism. We will also request that the church play an active role in discouraging the different forms of terrorism."

UDI Issues Statement

PY160259 Santiago LA TERCERA DE LA HORA in Spanish 7 Feb 86 p 4

[Text] The Independent Democratic Union [UDI] yesterday denounced that Marxism has intensified its terrorist campaign against the slums in order to hinder the consolidation of some sectors that wish an orderly and fair democracy for our country. UDI slum leaders yesterday released a public declaration after an attack against a UDI slum leader. The declaration is signed by UDI President Santiago Acosta and Vice President Alfredo Galdames and states:

"Yesterday at 0130 terrorists attacked the home of Rene Lopez Baeza, president of the UDI Vivaceta neighborhood committee, with explosives. The attack resulted in damage but no injuries were reported. In view of this despicable aggression, against one of the most important UDI leaders, the UDI slum department leadership wishes to express the following:

"1. The UDI has repeatedly denounced the systematic campaign of intimidation by the Marxist organizations and other opposition groups against those who have the courage to defend the principles and values of freedom against communist totalitarianism.

"2. In this sense the public must understand that if UDI leaders or members are found among the victims of terrorism, it is because the UDI is the only anti-Marxist movement that has the most complete and efficient shantytown organization, and because it is the only movement that is on the way to becoming a real danger to the slums that were historically ruled with hegemony by Marxism.

"3. This is why we denounce these violent actions that demonstrate the strategy of the opposition for the slums. We wish to reiterate our firm decision not to be frightened by these terrorist actions and we will not desist from our commitment to defend all the slum dwellers that are now victims of Marxist abuse.

"4. Finally we want to point out that Rene Lopez and his family are examples of courage and patriotism. We also wish to make an appeal to all the anti-Marxist slum dwellers of the country who wish to stop the enemies of freedom from imposing an atmosphere of anarchy and chaos, and to help us overcome our problems and promote a great slum movement that will unite all the political sectors that wish to live in a free country with order, justice and well-being."

Radical Democrat on PCCh Plans

PY141916 Santiago EL MERCURIO in Spanish 7 Feb 86 p C 3

[Excerpt] Radical Democratic President Jaime Tormo yesterday condemned the political strategy reportedly approved by a Communist Party [PCCh] plenum held in January. As reported to the public, during the plenum it was decided to harden the line of violence advocated by the PCCh. Tormo said that "this confirms what has been stated by the Christian Democrats, that no talks can be held with the PCCh because it is an organization that has been endorsing violence and, as we have already stated, follows directives from abroad and not the wishes of Chileans."

Tormo remarked that "the public knows that the PCCh has reasserted its political line, hardening it. What is serious about this is that it is virtually encouraging subversion, not only civilian but military subversion." Tormo added, however, that "we Chileans may rest assured that the government will not permit a small group belonging to an international party to succeed. They will be left alone with their nefarious wishes."

Javier Cuadra on Communism

PY142137 Santiago EL MERCURIO in Spanish 12 Feb 86 p C 3

[Excerpts] Minister Secretary General of Government Francisco Javier Cuadra yesterday urged citizens to reject the violence of extremist groups and indicated that sectors that claim to be democratic must be able to distinguish between Chile's true interests and the actions of groups led from abroad whose aim is to disrupt public and constitutional order.

The secretary general of government made this statement when he lashed out at extremism, which took its latest toll when noncommissioned officer Luis Rival Valdes died from injuries received when a Carabinero bus was attacked last week. Javier Cuadra added that "this should make us start thinking about the need to reject the violence of extremist groups through actions as well as words."

He said: "If all or most of the citizens adopted a decisive attitude rejecting violence, many problems could be resolved better because we could say with assurance that there is an obvious consensus on the matter. The Government's policy in this regard has been very straightforward and in keeping with the Constitution. It categorically rejects violent means, not only for political reasons, but also because of more considerations."

Javier Cuadra said "many sectors do not reject violence categorically. Many of them talk a great deal against violence, but when human lives are at stake, neither rhetoric or dialectics are enough. Thus, the important thing is that this rejection should be present in concrete policies that are being implemented, the speeches that are made, the arguments used and the instructions issued to the many groups and persons over which these sectors have political control."

When told that at its latest national congress the Communist Party reaffirmed its belief in the violent approach, Cuadra said that "there is nothing new in the resolution of the Communist Party. All the main problems that have to do with political coexistence in Chile began when the Communist Party and Marxist ideology in general appeared on the national scene."

He indicated that "the number of members the party may have is not important. What is important is the fact that the communist ideology upholds a violent concept of man, society and history and advocates violence changes that we civilized men could implement to improve the standards of living." Cuadra added that "communists have resorted to pretexts in order to set up totalitarian and inhuman dictatorships in all the societies over which they have gained control since the Russian revolution."

When asked for an opinion about the Popular Democratic Movement's offer to the democratic alliance to carry out joint actions, Cuadra said that "it is up to the so-called Democratic Alliance to answer this question. The government only hopes that for everyone's sake these people that claim to be democrats will be able to distinguish between Chile's true interests and the posturing of certain groups orchestrated from abroad that have no interest in Chile's well-being."

POLITICIANS RESPOND TO REMARKS BY MIR'S ALLENDE

Avanzada, Christian Left Cited

PY142037 Santiago Domestic Service in Spanish 1630 GMT 14 Feb 86

[Text] Political sectors have criticized the statements that MIR [Movement of the Revolutionary Left] Pascal Allende made in Managua. Among other things, he said that this year the people's movement will enter the final stage of the struggle the Chilean Government. Avanzada Nacional leader (Patricio Vildozola) has said that Allende has once again advocated subversion in Chile through underground organizations, despite the fact that both he and his relative [Salvador Allende] have destroyed the country. He added that Chile is following the course of reactivation and that the government has been able to succeed despite the international crisis.

Christian Left coordinator (Luis Maira) said he does not agree with Pascal Allende regarding the relationship between the people's mobilization and the armed struggle, which Allende regards as two sides of the same process.

Maira warned that it is not good to choose a path for solving the Chilean situation without properly assessing our country's history and social development. He said the solution will not come through an armed confrontation, but through the social and popular organizations demanding the restoration of democracy through mass opposition and civil disobedience. Finally, Christian Democratic Party Vice President Jose Ruiz di Giorgio stressed that throughout their history, the Chilean people have always resorted to peaceful methods.

MDP President Comments

PY142122 Santiago Radio Chilena 1630 GMT 14 Feb 86

[Excerpts] Popular Democratic Movement [MDP] President German Correa has said that the statements made in Managua by Andres Pascal Allende, a leader of the Movement of the Revolutionary Left [MIR], do not represent the MDP's position.

[Begin Correa recording] No, they do not represent our position. Andres Pascal Allende is the leader of a political organization, while the MDP is a movement formed from a consensus among the political forces that are part of it. Therefore, the opinions of the MDP are only expressed by the MDP national leaders residing in Chile.

BRIEFS

ECONOMIC GROWTH STATISTICS -- The University of Chile's Economy and Business Administration Department has issued a report stating that the gross domestic product [GDP] grew by 1.9 percent in the second half of 1985, adding that it expects growth of between 3 and 5 percent this year. The report also says that the national unemployment rate reached 13.8 percent in the second half of 1985, which is less than the 15.9 percent for the same period in 1984. [Summary] [Santiago Domestic Service in Spanish 1000 GMT 10 Feb 86 PY]

BALANCE OF TRADE SURPLUS -- The Chilean Central Bank has reported that the balance of trade registered a $759-million surplus in 1985. [Summary] [Santiago Domestic Service in Spanish 1630 GMT 14 Feb 86 PY]

TIMBER EXPORTS -- Chilean Wood Corporation has reported that this sector exported $382.7 million in 1984, which makes it the second most important currency earner for Chile. [Excerpt] [Santiago Domestic Service in Spanish 1630 GMT 13 Feb 86 PY]

ARMS, SUPPLIES FOR GUERRILLAS SEIZED BY NAVY

PA140401 Paris AFP in Spanish 0322 GMT 14 Feb 86

[Text] Bogota, 13 Feb (AFP) -- A cargo of weapons and supplies, presumably sent for the guerrillas, was seized by the Colombian Navy after it intercepted a ship on the Pacific Ocean, it was officially reported here today. A total of nine crew members of the Colombian motorboat Iris including its captain, Ito Rengifo, were detained during the operation.

The ship had documents saying it had departed from Merizalde Port, in Narino Department, 900 km from Bogota, but it actually came from Panama, National Navy spokesmen reported.

A considerable amount of contraband was found on board, as well as 22 9mm machine guns, 126 clips for the machine guns, 68 boxes with accessories for cleaning the weapons, and other military materiel.

According to the initial investigations, the weapons were to be delivered to the Ricardo Franco Front, a dissident group of the Revolutionary Armed Forces of the Colombia (FARC), which principally operates in Cauca Department, in southwestern Colombia.

GUERRILLAS DOWN ARMY COPTER IN SANTANDER

PA162317 Madrid EFE in Spanish 1937 GMT 16 Feb 86

[Text] Barrancabermeja, Colombia, 16 Feb (EFE) -- A Colombian Army helicopter was downed today by guerrillas in Barrancabermeja, Santander Department, in the northern part of the country, where more than 4,000 peasants from various towns have gathered to protest the presence of the military.

Official sources, who did not disclose the name of the group that attacked the helicopter, said that the helicopter was patrolling the area and crashed when it was shot at, but the crew was not injured.

The incident took place in Cuatrobocas near the oil installations in the central Magdalena area, where for the past 5 days residents have been leaving because they are opposed to the presence of the troops search for insurgent columns.

Peasants from various towns in the central Magdalena region have taken up temporary residence at the Presidency's People's Integration Office [Oficina de Integracion Popular de la Presidencia] in Barrancabermeja, and have accused the military men guarding the zone from attacks by the Revolutionary Armed Forces of Colombia (FARC) of "harrassing" them.

The Anglo-Dutch transnational "Shell" last year reported that the FARC's 14th front was demanding payment of 100 million pesos (approximately $600,000), in exchange for the security of the installations and employees in Yondo, located less than 150 km away.

A military spokesman said that the Army has deployed armored tanks and vehicles equipped with artillery to the city to prevent fights between the residents of towns along the Magdalena River and the refugees, while the authorities have warned that there is a food shortage and that an epidemic could break out at the refugee camps.

PRESIDENT SAYS UNIVERSITIES TRAIN GUERRILLAS

PA162030 Madrid EFE in Spanish 0421 GMT 16 Feb 86

[By Roberto Aguilar Andrade]

[Text] Loja, 15 Feb (EFE) -- The tense, constantly deteriorating situation between the university and the Ecuadoran state became evident in a speech given by President Leon Febres Cordero in Loja (650 km south of Quito).

On Friday, Febres Cordero harshly criticized the Ecuadoran university, directly accusing it of "training guerrillas and subversives." At the same time, he made an economic contribution to Loja's private technical university where, he said, "fortunately, politics have not entered, and God forbid that they ever enter."

The president said that Ecuadoran universities do not prepare good professionals but subversives and guerrillas, and the Ecuadoran people are taught "with the blood of the Ecuadoran people to kill their brothers."

"That cannot be called a center of higher education," he continued, "but hell. It is unpatriotic. It is going against the country's top heritage, its youth."

While the president was making these remards in Loja, students of Ecuador's Central University were demonstrating in Quito. The protests were sparked by the killing of a university student by the police in front of the School of Administration a few days ago.

According to eyewitnesses, the student threw water at a police vehicle, prompting the rage of one of its occupants. The policeman got out of the car and fired at the youth, killing him instantly.

Student groups gathered near the camput in the morning, building barricades on the streets and burning tires, demanding the culprits of this bloody incident be punished. The students also placed a wreath at the site where the student was killed.

Police Commissioner Patricio Vasconez already started the penal process against the policeman responsible for the incident, but all information in this regard has been withheld.

However, it was reported that the authorities have asked the commissioner to dismiss the penal process because Jose Manuel Pasquel, the defendant, has special privileges because the incident occurred while he was on duty.

Student organizations as well as university officials, headed by Rector Jose Moncada, have openly and publicly stated, on various occasions, their opposition to the regime headed by Febres Cordero.

MINISTER ON OIL SHIPMENT SUSPENSION, POLICIES

PA131913 Quito Voz de los Andes in Spanish 1130 GMT 13 Feb 86

[Excerpt] Mines and Energy Minister Javier Expinosa Teran yesterday asserted that his ministy is pursuing a policy of flexibility during the current price debacle in order to safeguard the markets of Ecuadoran crudes.

Espinosa indicated that Ecuador has ordered a 1-week suspension of its oil shipments, which will be resumed on Saturday. The measure falls within the context of the defense of the oil price, which, he admitted, has fallen to $13.50 per barrel on the spot market.

Espinosa noted that Ecuador will not negotiate its oil on the spot market but will, instead, continue its policy of signing long-term contracts. (?However), the minister expressed (?cautious) optimism over the development of the situation and cited statements by Kuwait that an agreement among producers within and outside of OPEC would be based on a reduction in Britain's production by 350,000 barrels a day, or 10 percent of its capacity. Espinosa said that negotiations are currently under way to secure Brazil as a new buyer of Ecuadoran oil and to increase the current sales to Puerto Rico, which entail 12,000 barrels a day.

As a result of the slump in oil prices, the week began with unprecedented levels in the quotation of the dollar, which yesterday closed at 139.75 sucres on the free exchange market.

OPPOSITION GROUPS RALLY IN ASUNCION PLAZA

Government 'Sabotage'

PY150040 Paris AFP in Spanish GMT 14 Feb 86

[Text] Asuncion, 14 Feb (AFP) -- The Febrerista Revolutionary Party (PRF), a member of the opposition, tonight announced that the rally which is scheduled to be held at a plaza downtown is being sabotaged by the government, which cordoned off the area with police forces to keep the public from attending. In a statement to AFP, the PRF Secretary General Nils Candia Gini estimated at 2,000 the number of heavily armed police who intercepted traffic for three blocks around the Plaza Italia where the rally is to take place. Leaders of the Popular Colorado Movement (Mopoco), which is a dissident group of the progovernment Colorado Party, the Christian Democratic Party, the Authentic Radical Liberal Party (PLRA), and the Febrerista Revolutionary Party will speak at the rally. Of these four parties, only the PRF is legally recognized by the government. This week, the organizers had estimated an attendance at about 15,000 people -- quite high for Asuncion -- for this rally, provided the regime's political police did not intervene.

PRF, Mopoco, PLRA Leaders Speak

PY172218 Asuncion ULTIMA HORA in Spanish 15 Feb 86 p 10

[Excerpt] Last night, in Asuncion's Plaza Italia, under the slogan: "In favor of a total democratization of the country," the Febrerista Revolutionary Party [PRF] celebrated the 50th anniversary of its Liberation Revolution. The National Accord has fully supported this commemoration with the participation of many of its members. Delegations from the Argentine Radical Civic Union, Intrasigent Party, Christian Democracy, Popular Socialist Party, and the Dominican Revolutionary Party were also present.

The ceremony started with the singing of the national anthem followed by the party songs of the National Accord member parties. Afterward, PRF General Secretary Nils Candia Gini spoke. He recalled the history of his party and then said: "There are still some small black clouds hanging over Latin America, which is making a great effort for its democratization. Without doubt, democratic winds are blowing and nearly covering the whole of Latin America. A short time ago, far from our country, in Haiti, another strongman abandoned his people and went into exile, leaving his long-suffering people in freedom."

Waldino Ramon Lovera, president of the Colorado Popular Movement [Mopoco], and acting president of the National Accord, spoke after Candia. In his speech Lovera described how the National Accord is developing in Paraguay. "Even now, we are systematically followed by the police. We cannot move without being followed by many motorcycles," he said. "Some time ago, Lovera recalled, a foreign politician discussing our situation said: The Mopoco members remain semi-prisoners, under surveillance, in their oun country," and added: "This cannot continue." "They believe that they will intimidate us by following and beating us, but the Mopoco is not afraid. The Mopoco is resisting and will resist all the blows from the regime because Mopoco is made up by courageous and calm men," he said.

The president of the Authentic Radical Liberal Party [PLRA] Miguel Angel Martinez Yaryes also spoke during the ceremony. He recalled the creation of the National Accord, "which was formed by overlooking several party, ideological, and even personal barriers because we have a common and necessary objective: the democratization of Paraguay..." and he added that "we are the only legitimate heirs of the great Liberal Party, not those who claim this falsely as collaborators to officialism."

Alfredo Rojas Leon, president of the Christian Democracy, also delivered a speech in favor of democracy: "With democracy we will not have a state administration full of opportunistic and unscrupulous individuals who are only interested in becoming rich in exchange for their unconditional support of the regime, without caring whether the people are led to dangerous limits of misery."

PRF, Farm Leaders on Economy

PY152232 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 15 Feb 86

[Text] Last night, a large number of people answered the Febrerista Revolutionary Party [PRF] call for a meeting in Plaza Italia. The political event took place without any notable incidents. PRF President Fernando Vera delivered a speech in which he dwelled at length on the country's economy.

[Begin Vera recording in progress] [applause]...and knows very well that the inflation which the regime imposes on all the Paraguayan people is the way by which the masses, and particularly the peasant masses, are most heavily exploited. [applause, shouts of "true"]

You know about this exploitation, but perhaps you do not fully realize how the exchange rate policy, for example, exploits the rural producer. The exchange rate policy annually steals approximately 200 billion guaranies from the producers of staple products. [shouts and applause] On top of this robbery of some 200 billion guaranies, because of the subsidized dollars which the Central Bank hands over to the government for servicing public works and for state imports, there is a money issuance of 45 billion guaranies per year, which is an inflationary injection. Perhaps you say that this does not concern you. Of course it concerns you, because it causes inflation, general price increases and an increase in the family budget. [end recording]

In a passage of his speech, Dr Fernando Vera stated that the farm producer is being exploited, and gave a number of figures:

[Begin Vera recording] The government offers to continue the same policy it has followed, the so-called policy of monetary or exchange rate stability, the greatest myth that has been created for purposes of political propaganda. Monetary stability has never existed, not even in the period of the Itaipu economic boom, and it exists still less now under the inflationary conditions in which the economy is developing. [end recording]

In conclusion, and still dealing with his economic analysis of the real situation of the nation, Vera spoke about the foreign currency evasion and other problems, which he called a direct robbery of public funds. The rostrum was also occupied by representatives of other parties which joined the rally, as well as foreign politicians who had been especially invited.

[Begin Vera recording] There are the cases of the Retirement and Pension Fund, the case of the Property Tax Fund, and the case of the Workers Bank. These are notorious examples of how public funds have been stolen. On top of that we have the great scandal of foreign currency evasion. It is a case of large-scale looting which has not only undermined the financial stability of the country's balance of payments, but has also destroyed faith as well as the trust in and credibility of the country's financial institutions. For the Central Bank itself to be so rotten as to permit such a looting of the state... [applause] [end recording]

Marcelino Corazon Medina, president of the Coordination Committee of Rural Producers, then said the following:

[Begin Medina recording, in Guarani] It is you who should speak up, not Corazon Medina but you, the people. In our hearts we are feeling the torture we are subjected to, the stomach rumbling with the hunger we must endure, the lack of shelter for our families. [shouts and applause] The Paraguayan people, mainly the peasant class, suffer and know how to suffer, but we have been silent for a long time and we have endured tyranny for a long time. The time has now come when a drop of water will make our patience overflow, companeros. [shouts and applause] [end recording]

When the rally was over, those present dispersed in an orderly fashion.

Youth Representatives Noted

PY152308 Paris AFP in Spanish 1516 GMT 15 Feb 86

[Excerpt] Asuncion, 15 Feb (AFP) -- The rally that the opponents of General Alfredo Stroessner's regime staged at the Plaza Italia last night showed that there is a gradual growth in the number of followers of the National Accord, which advocates boycotting elections, despite the fact that its leaders are subject to constant repression, according to diplomatic observers who attended the rally. One such diplomatic representative told AFP that he had been surprised by the number of people present despite the fact that this year there were more security forces than ever, and that they even cut off traffic for several blocks around the square and maintained a threatening attitude that surely dissuaded many people from going on to the square.

The novelty of this year's opposition rally, at which Stroessner once again was asked to step down, was the participation of the youth, whose representatives lashed out at the shallowness of certain speakers and asked them to shut up and let the youth speak instead. According to some opposition members despite the fact that in Paraguay 54 percent of the population is less than 20 years old, the youth has had its rise blocked off by gerontocratic leaderships made up of people over sixty years of age.

Certain youth representatives practically compelled the organizers to allow them to take the podium, and their speeches had more effect than those of several representatives of the opposition coalition that organized the rally. Two of these youths urged their cohorts to forsake the fear in which they are immersed and demand respect for their rights. Let us forget about speeches and do something. Let us take to the streets and go to Government House to protest about the way things are, one of them said, awakening great enthusiasm among the crowd.

GARCIA FEELS 'PRESSURE' FROM FOREIGN CREDITORS

PY171744 Lima Television Peruana in Spanish 0000 GMT 17 Feb 86

[Excerpts] President Alan Garcia said today that Peru will soon suffer economic restrictions and sanctions as a result of the impatience of the international creditors that want to be paid immediately so they can solve their own problems. President Garcia was talking to the press in the districts of Leticia and Villa Fatima when he made his statement. He said that the IMF can decide not to let anyone loan us a single penny. He added: I really feel that this is a test that a country has to go through if it wants to become truly independent.

[Begin recording] [Unidentified reporter] What is your opinion of the Peruvian position in the international community?

[Garcia] The Peruvian position is very solid but with some problems, because we are under pressure from international creditors. Naturally, measures and sanctions could be implemented as a result of pressure and impatience. Considering the fact that the Latin American debt as a whole has been dealth with in terms that I believe are unjust -- with high interest rates -- and for projects that were not the most appropriate, as the president of Peru it is my duty to limit the payments.

I understand the position of the banks and of the representatives of the most important countries that want to be paid immediately so they can solve their own problems. I understand their position, and I know that at some time restrictions and sanctions are going to be imposed on Peru. I want the Peruvian people to know this because we made a decision, and the people must become aware of what this decision means. It is not just a matter of boasting about this issue in a speech. It is a matter of being conscious of where a decision of this kind can lead us, where a temporary danger can lead us. A foreign bank can embargo some Peruvian products. This is possible. The IMF can decide not to let anyone loan us a single penny. I believe that this is a test that a country must go through if it wants to become truly independent.

If we agreed that the development we have achieved was not the best, if we agreed that the foreign debt was not appropriately dealt with, if we want to pay it only in accordance with our possibilities in order to allocate more resources for development, if we want to do all this, we must also face the dangers. When I asked the people to become aware of the need for sacrifices and self-denial to come out ahead, I said so knowing that the decisions we made could result in problems. However, the problems could have been worse had we not made those decisions.

[Reporter] [Words indistinct] that we have 60 days to pay all the debt to the IMF. Has the government thought of paying some of that debt by 14 April when the debt is due?

[Garcia] We are following the general guidelines approved by Peru. Our exports total approximately $3 billion. This figure could drop because the prices of fuel, silver, and copper are declining. The people who run the world economy are lowering the prices of products, and therefore the overall prices of Peruvian exports could drop; instead of being $3 billion, they could drop to $2 billion. As a result of this situation, our payments will also drop. This is the Peruvian position:

You pay me so much for my work, and I am willing to pay you so much for the debt. Within that limit we will naturally be able to pay some of the debt to the institutions we owe.

[Reporter] What is your opinion as a democrat of the political situation prevailing in the Philippines, which is a country linked to Latin America?

[Garcia] Look, I cannot interfere in matters of internal policies, but I feel that there was blatant fraud. I feel that Marcos should go home. He has done enough to leave. No one can remain in power 20 years. It is absurd to say that there is democracy when a man has reelected himself of the last 20 years by using his power, and now he has been reelected again for another 6 years. No one believes there is democracy in the Philippines. As the president of Peru, I should not say this but considering the fact that the elections were shamelessly stolen from Mrs Aquino, as a politician and as a citizen of the world, I have no choice other than to say that it was blatant fraud and that the nations of the world should help the people of the Philippines achieve democracy.

The same thing happened in Haiti. We are pleased and joyful to finally see Haiti free from the tyrant Duvaliers, who trafficked in human blood. The Peruvian Government will support anything related to the progress of people toward self-determination and freedom. Although I should not formally say anything on this matter, I have the obligation to express what I want for all the people of the world and what I want for my people, that is: justice, freedom, and democracy. [end recording]

GARCIA PROPOSES ANDEAN RESERVE FUND TO REPLACE IMF

PY172057 Madrid EFE in Spanish 2314 GMT 15 Feb 86

[By Marisol Marin]

[Excerpt] Lima, 15 Feb (EFE) -- Peruvian President Alan Garcia today lamented the fact that no steps are being taken toward a meeting by Latin American presidents in Panama, because it is our "inescapable obligation and responsibility" to jointly confront the debt problem.

During a press conference held for foreign correspondents, Garcia said that this is a matter of principle and that each country must make its own decision. "The day that five or six countries decided to act jointly will be the day that marks the end of the IMF," he stressed.

He added that an indebted country, particularly if heavily indebted, "has the power to change the rules of the game." Garcia proposed an Andean reserve fund as a Latin American alternative to the IMF.

"The day Argentina or Brazil join the Andean reserve fund, the operational capacity of such an organization will surpass that of the IMF," he remarked.

The Peruvian president added that during the first 6 months of his administration, Peru has not alloted more than 10 percent of its export income to meet its foreign debt obligations. He said the Peruvian export income will decrease because of the oil price slump.

For the Peruvian president, the loss caused by the oil price slump -- which some experts believe will go as high as $200 million -- "is another reason for restricting our payments on our external obligations."

Some $700 million of the approximately $14-billion Peruvian foreign debt is owed to the IMF, which recently warned the American Popular Revolutionary Alliance [APRA] government that new credits may be restricted it Peru does not meet overdue obligations for $75 million.

The IMF has set 14 April 1986 as the deadline for Peru to meet these obligations. However, Garcia did not say whether this deadline will be met. "I will announce that on 13 April," he replied.

"If the IMF says we are ineligible for new credits, this does not mean the World Bank will say the same thing," he said.

NORMAL DIPLOMA[illegible]IC TIES WITH HAITI TO CONTINUE

PY151728 Lima EL COMERCIO in Spanish 10 Feb 86 p A 4

[Text] Peru w ll continue to maintain normal diplomatic ties with Haiti, the Foreign Ministry annou ced after the resignation of Haitian dictator Jean Claude Duvalier.

Meanwhile, rega ding the Haitian situation, Foreign Minister Allan Wagner Tizon emphasized that D valier's downfall confirms that "for-life regimes cannot exist because they contradict he people's democratic expression."

Wagner said that for this reason it is possible that the developments in Haiti will open a new era of genuine democracy in that country, reflicting a pluralist and popular participation to define the destiny of that Caribbean nation and setting a course toward the Haitian people's self-determination.

Allan Wagner stated that, in accordance with the principles of international law, Peru will cooperate to strengthen peace and democracy in the Republic of Haiti. The Foreign Minister made these statements before leaving for the United States.

In addition, the Peruvian Foreign Ministry revealed in Lima that no Peruvian Foreign Ministry revealed in Lima that no Peruvian citized residing in Haiti has been affected by Duvalier's downfall of by the developments that preceded of followed it.

PRESIDENT LUSINCHI COMMENTS ON ECONOMIC ISSUES

PA152256 Caracas Television Service in Spanish 0000 GMT 15 Feb 86

[Text] The Venezuelan Government has succeeded in obtaining a 3-year grace period in the capital amortization payments of the foreign debt, and recognition that each payment shall be closely related to the situation in the oil market, so that Venezuela may adjust its conduct accordingly.

The above was expressed by the president of the Republic, Dr Jaime Lusinchi, during his visit to the Braulio Salazar Museum of Culture, in the capital of Carabobo State. Following is a recorded report by Berta Gomez, from Valencia:

[Begin recorded report] At 1110 today, President Jaime Lusinchi, accompanied by the minister of transport and communications and the minister of finance, arrived at the Henry Ford Aeroclub of Valencia. From there, the presidential motorcade headed for the new Braulio Salazar Museum of Culture, which will be inaugurated very soon.

After touring the museum, which was shown by Carabobo Governor Oscar Celli Gerbasi, the president of the Republic met with reporters. He first commented on a postponement of debt payments for 1985 and 1986 recently granted to Venezuela by international banks.

As for statements made by the National Economy Council that the bolivar is being devaluated, Dr Jaime Lusinchi said that it would not be prudent to discuss currency problems at this time.

The discovery of the largest oil field in the history of national oil industry, 30 km from Maturin, was another topic touched on by the president. Regarding that, he said that PVDSA [Venezuelan Petroleum, Inc.] has consistently furthered exploration projects and development of the industry, which shows that there is interest in developing the oil industry as much as possible.

[Begin Lusinchi recording] In this way, we can achieve a long-time aspiration of Venezuelans, which is the integral and vertical development of their industry. In fact, two projects are under way, through which important fields of light oil were discovered in Monagas. We have already identified heavy oil fields in the Orinoco oil belt. Important gas fields have also been discovered, and we are making progress in the exploration of the Arauca area, which will be exploited soon. [end recording]

As for the Museum of Culture, President Lusinchi said that the Carabobo governorship will open this cultural center to all popular expressions.

Finally, President Lusinchi said that the main realistic objective of the current meeting of Andean Pact countries in Caraballeda is to seek solutions to the economic problems of each member country through the construction of their own markets.

[Begin Lusinchi recording] The issue of integration is not only a need for us Venezuelans, but it is in the best interest of our country, Andean area countries, and Latin America in general. We are capable of solving our own problems if we develop our own markets, because we have already seen that the great powers are too selfish. [end recording]

After visiting the Museum of Culture, the president of the Republic headed for the athenaeum to tour its facilities. Later, he participated in a luncheon with industrialists of the region. [end recorded report]

SOVIET OFFICIAL BRIEFS LUSINCHI ON ARMS PROPOSAL

PA150441 Caracas EL NACIONAL in Spanish 5 Feb 86 p D 18

[Text] Vladimir Kazimirov, former Soviet ambassador to Venezuela and current chief of the First Latin American Countries Department of the USSR Foreign Relations Ministry, has provided a detailed explanation to President Dr Jaime Lusinchi of the Soviet proposal for nuclear disarmament.

Ambassador Kazimirov, who came to Caracas at the head of a Soviet delegation, was received on Monday afternoon by President Lusinchi, met yesterday at noon with Deputy Foreign Minister German Nava Carrillo, and participated in two working meetings at the Yellow House.

Asked at the Foreign Ministry about the purpose of his visit Kazimirov said: "We are here within the framework of political consultations between the Venezuelan and Soviet Foreign Ministries. This is a normal procedure used widely in contemporary diplomacy. For instance, every year the USSR holds political consultations with the foreign ministries of some 10 to 14 Latin American nations."

"This," he added, "is the purpose of our visit to Caracas, and we hope that in the near future a delegation from the Venezuelan Foreign Ministry will visit Moscow to continue our talks which I would say, are almost routine."

Asked by a journalist about the results of his meeting with President Lusinchi, Kazimirov answered that the talks had basically been about the recent Soviet peace initiatives.

Kazimirov added: "We briefed him and responded to his questions regarding the Soviet proposal for total and complete disarmament for all of humanity, in order to eliminate the nightmare of a nuclear catastrophe for the rest of the century." He added that a historically short term, the 15 years that remain in this century, is quite enough time to achieve this.

"Instead of spending huge amounts of resources in these coming years for the worldwide arms race, it would be much better to proceed directly to the elimination of all weapons, of the entire nuclear arsenal existing in the world, provided that space is not militarized. The creation, testing, and deployment of offensive space weapons [armas cosmicas de choque] will be forbidden. This was more or less the main subject of our talks," Kazimirov said.

We asked Kazimirov if this visit had any relation to, or if he had brought some proposal regarding the Central American crisis. Kazimirov responded: "The subject of regional and Central American conflicts was obviously included among the subjects of our consultations."

We also talked with Deputy Foreign Minister German Nava Carrillo, shortly before the second round of sessions with the Soviet mission was started in the Yellow House library, to get information on the subjects that had been discussed there.

Nava Carrillo said: "We are going to continue the conversations about some points of mutual interest to the two nations, in accordance with the mechanism of consultation that was established years ago. Yesterday we had the first meeting, and today we will conclude or at least make some progress in the course of the meeting, in an overall review of bilateral as well multilateral matters."

"One of the topics of these talks, as Kazimirov said, has been disarmament. We have also discussed some bilateral matters in which the two nations have a mutual interest."

Nava Carrillo cautioned that "to have a mutual interest does not mean that we share mutual positions, just that we do have mutual interests. We discussed those subjects, some matters relating to the United Nations, subjects concerning the Security Council, and some aspects of our bilateral relationship."

Trade and how to increase it was also one of the topics included in the discussions. In general, it was an extensive agenda.

PRC PRAISES OIL MARKET STABILIZATION EFFORTS

PA170025 Caracas Television Service in Spanish 0000 GMT 15 Feb 86

[Text] Through Hu Hongfan, its ambassador to Venezuela, the PRC has sent a message to Dr Arturo Hernandez Grisanti, minister of energy and mines and president of OPEC, for his efforts to keep the international oil market stable.

After meeting with the energy and mines minister, the PRC diplomat said that his country's government attaches great importance to Venezuelan President Jaime Lusinchi's great concern over the current situation in the oil market.

ENERGY MINISTER COMMENTS ON RESULTS OF TOUR

PA141733 Caracas Television Service in Spanish 0000 GMT 13 Feb 86

[Text] Arturo Hernandez Grisanti, energy and mines minister, returned to Venezuela this afternoon from Madrid after a tour that took him first to the new strategy committee meeting, then to Egypt and Saudi Arabia, where he met with the oil ministers of both countries, to Geneva, where he met with the Norwegian oil minister, and to Spain, where he met with Prime Minister Felipe Gonzalez. The main topic discussed was the world oil situation. We will now listen to Hernandez Grisanti's statements regarding the tour:

[Begin recording] I believe we have sustained the collaboration of oil-producing countries that are not OPEC members. There is a willingness to cooperate with the market's stabilization, and they understand the difficult situation we are facing and the great potential dangers involved in this situation if some market stabilization measures are not adopted. I truly believe that the results of the tour have been very positive, and we will wait to see how events develop. We are obviously following the situation very closely. We are concerned but also confident that we will find the means to overcome this difficult situation with other countries' help. [end recording]

Meanwhile, Hernandez Grisanti denied that in talks with Felipe Gonzales they established an agreement for Venezuela to purchase a refinery in Spain. This, Hernandez Grisanti said, has already been denied to the international press, especially to the Spanish press.

PRESIDENT REITERATES COUNTRY'S SOVEREIGNTY

PA171924 Mexico City XEW Television Network in Spanish 1600 GMT 16 Feb 86

[Excerpts] President Miguel de la Madrid stated today in Tijuana, Baja California that Mexico is not willing to trade its independence for economic support. Closing the 11th national meeting of local legislators held at La Cultura's theater in Tijuana, the president said that although we must vigorously tackle economic problems, it is also important to preserve freedom, and, above all, he said, the country's independence.

[Begin recording] Let no one be mistaken, Mexicans are not willing to trade independence for economic support. [applause] Let no one inside the country be mistaken, we are not going to tackle the economic crisis with authoritarianism or dictatorship. We are not going to turn over power to a junta of notables. We are not going to make the ejido [communal land] disappear. We are not going to weaken unions. [applause] We are not going to abandon the popular and nationalist education. [applause] We are not going to permit the interference of the church in political affairs. [applause] [end recording]

The president said that to Mexicans, democracy is a people's expression, and it can only exist when the people's right to self-determination is respected.

[Begin recording] We cannot permit foreign intervention in our electoral process because the Mexican's people's sovereignty does not view such intervention as legitimate in the political sphere. [applause] [end recording]

He reiterated that Mexico will overcome the problems of its economy and warned that those who think that this is the time to destroy the revolution or betray the country must give up hope.

DE LA MADRID APPEALS FOR 'JOINT ACTION' ON OIL

PA150423 Paris AFP in Spanish 2325 GMT 15 Feb 86

[Text] Mexico City, 15 Feb (AFP) -- A "joint action of all participants in the oil market" has been proposed by Mexican President Miguel de la Madrid in a letter sent to 12 heads of state, it was revealed today in an official communique.

The document -- addressed to the presidents of France, the UK, the USSR, the FRG, Saudi Arabia, Norway, China [not further identified] Oman, Algeria, Egypt, Kuwait, and Canada -- emphasizes that "world economic stability and the prosperity of our nations depend on international solidarity."

In the letter sent on 4 February, De la Madrid explained that the current oil market crisis has consequences that "go beyond its parameters and deteriorate the already critical international economic, commercial, and financial situation. The Mexican president also criticized "the harm caused by the commercial protectionism of the developed countries and the high interest rates."

This group of circumstances, he concluded, jeopardizes the economic and financial recovery programs of the oil exporting countries, "which cannot absorb its effects with internal adjustments, as it would lead them to an unacceptable deterioration of their peoples' living standards."

The communique implicitly refutes unofficial claims that De la Madrid had sent a letter to several industrialized countries asking for their help in dealing with the critical economic situation of Mexico and avoiding a moratorium on its foreign debt.

SEPULVEDA RATIFIES INTERNATIONAL AGREEMENTS

FL150104 Mexico City NOTIMEX in Spanish 2215 GMT 14 Feb 86

[Excerpt] Mexico City, 14 Feb (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda Amor has reported that during his stay in Washington and New York the Central American pacification agreement of the eight Latin American governments represented in the Contadora Group and the Support Group was ratified.

Sepulveda Amor said that at the meeting with the ministers of the eight nations it was agreed to put into effect the actions provided for in the Caraballeda message to achieve peace, security, and democratic development in Central America. He also said he had signed the inter-American convention to prevent and sanction torture. He added that this convention was approved by the Organization of American States last December and represents a continental effort to combat the practice of torture.

PEMEX CUTS EXPORT CRUDE PRICE TO $15.07 PER BARREL

PA142232 Paris AFP in Spanish 2215 GMT 14 Feb 86

[Text] Mexico City, 14 Feb (AFP) -- Pemex has decided to reduce the average price per barrel of its export crude by $4.68. The price is now set at $15.07 per barrel, the oil monopoly officially announced.

NONOIL PRODUCT EXPORTS TO TOP $7.5 BILLION

FL171730 Mexico City NOTIMEX in Spanish 0200 GMT 17 Feb 86

[Text] Mexico City, 16 Feb (NOTIMEX) -- A study conducted by the Secretariat of Commerce and Industrial Development indicates that in 1986 Mexico will earn more than $7.5 billion from exports not related to the oil industry. The secretariat explained that, because of the drop in oil prices on the international market, the federal government will take new actions to increase the sale abroad of products not related to the oil industry. The secretariat added that earnings could exceed $7.5 billion if the programs to produce manufactured articles that are highly competitive on the world market are successful.

The secretariat said that the programs include plans to grant promotional incentives [estimulos promocionales] to about 600 firms in different fields in addition to providing consultation services to the Mexican exporting community to reinforce the effort made to increase foreign sales. The secretariat said that one of the most important measures to support the export industry is the granting of economic incentives in border areas and free zones.

In accordance with the goals of the secretariat, in 1986 measures will be taken that are congruent with the national commerce and industrial development program to broaden and diversify trade in goods not related to the oil industry.

PEMEX SETS PRIORITIES IN EXPLORATION PROGRAM

PA172230 Mexico City XEW Television Network in Spanish 1600 GMT 16 Feb 86

[Text] Pemex has reported that it will set priorities regarding oil exploration. The objective is to guarantee that the proven oil and gas reserves will continue to maintain a level that compensates for production on a short and medium term. Pemex also announced that it will give priority to geological areas that offer better chances of finding new fields of hydrocarbons.

Regarding the marine exploration program, it was explained that priority will be given to Campeche Sound, the country's best producing area, which has the largest proven and probable reserves. In addition, it was disclosed that the drilling work that was going to be performed off the Tamaulipas and Veracruz coasts this year will be deferred. With the change in the marine exploration program and by leaving in effect only the work in the Campeche Sound, Pemex also postponed activities planned for other areas in the Gulf of Mexico, including the exploration of six wells in the areas known as (Laguna Madre), Tuxpan, and Veracruz.

In conclusion, it was said that Pemex agreed for budgetary reasons to establish priorities in the use of its resources for the exploration program, taking into account the volume of reserves that must be maintained in order to meet local as well as the external demand.

PUBLICATIONS EXCHANGE AGREEMENT SIGNED WITH CUBA

FL171748 Mexico City NOTIMEX in Spanish 1904 GMT 16 Feb 86

[Text] The National Council for Science and Technology (Conacyt) has reported that Mexico and Cuba have signed an agreement establishing the exchange of scientific and technical publications.

Conacyt said the agreement was signed by this government organization and the Cuban State Committee for Economic Cooperation, adding that, thanks to this cultural agreement, the 19 Conacyt bookstores will sell socialist publications and books to students and the general public. It explained that these bookstores will have Cuban editions that have virtually disappeared from the national market because no distributor for these publications existed.

Conacyt said the Cubans will obtain the Conacyt library system and Mexican editions and will also be able to acquire Argentine, British, French, U.S., and Spanish books.

PRIVATE SECTOR DEBT WITH JAPAN RESCHEDULED

FL172250 Mexico City NOTIMEX in Spanish 2205 GMT 17 Feb 86

[Excerpt] Mexico City, 17 Feb (NOTIMEX) -- Mexico and Japan today signed an agreement restructuring Mexico's private sector debt, which totals approximately $48 million. The Japanese International Trade and Industry Ministry rescheduled medium- and long-term loans for 3 1/2 years and short-term loans for 6 months.

The document was signed by Mexican Finance and Public Credit Secretary Jesus Silva Herzog and Japanese Ambassador to Mexico Takeshi Naito and indicates that the fixed interest rate will be 7.3 percent annually for the debts incurred in Japanese yen or German marks. The fixed interest rate will be 9.25 percent annually for debts incurred in U.S. dollars.

PERU'S ALAN GARCIA TO VISIT 25, 26 FEBRUARY

PA141407 Panama City STAR AND HERALD in English 14 Feb 86 pp A 1, A 6

[Excerpts] Panama (ANSA) -- Peruvian President Alan Garcia will visit Panama the 25th and 26th of Feb. according to an announcement from his Panamanian counterpart Eric Arturo Delvalle, with whom Garcia will discuss the coming summit of Latin American heads of state.

The President of Panama said that there are already taking place here preparations to receive the Peruvian leader.

The spokesman said that the agenda of the meeting between the presidents of Panama and Peru and the South American's entourage is not yet known.

It was announced that soon the new Peruvian ambassador will take over his office in Panama, and all indications show that it will be during the visit of President Garcia.

COURT DISMISSES HUGO SPADAFORA MURDER CASE

PA161750 Panama City LA REPUBLICA in Spanish 16 Feb 86 p 1 A

[Excerpt] The 4th David Superior Court of Justice has issued a final discontinuance ruling in the Hugo Spadafora case in favor of Omar Vega Miranda, Eliecer Ramos, and Francisco Eliecer Gonzalez. The document was signed by Justices Ricardo Jurado de la Espriella, Ruben de la Guardia, and Andres Almendral.

ARIAS SEES COUNTRY ON 'BRINK OF NATIONAL DISASTER'

PA172236 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 14 Feb 86

[Text] Former Panamanian presidential candidate Ricardo Arias Calderon has said that Panama is on the brink of a national disaster. Arias Calderon, who participated in the elections of 1968 and 1984 as a candidate for the presidency of the Republic, is now in Guatemala. Commenting on the situation in his country, he said that the government is subject to a combined fiscal and political crisis, helped along by the high rate of unemployment; therefore, as a consequence of a legitimate [as heard] regime, the most dangerous factor is that Panama is on the brink of a national disaster, because the military is the power behind the throne.

The former presidential candidate added that his country is experiencing difficult and critical times as a result of what he described as the most scandalous case of electoral fraud ever, which took place in 1984. Because of this, he said, at present there is social unrest as a result of the acts of repression, corruption, and other negative factors produced by the top military echelons.

Arias Calderon, a leader of the Panamanian Christian Democrats, met with Guatemalan President Marco Vinicio Cerezo Arevalo and deputy Luis Alfonso Hidalgo, head of the Congress, with whom he discussed the process of a return to legal regimes in several Central American nations. As a Panamanian, I hope that my country will find the path to democratization, like that which the Guatemalan people are treading, the political leader said.

HAITIAN EXILES DEMAND TONTONS MACOUTES LEAVE

PA172009 Panama City LA PRENSA in Spanish 15 Feb 86 p 16 a

[Report by Jose Quintero De Leon]

[Text] A dozen Haitian exiles living in the capital city for several years picketed their country's embassy on Eusebio A Morales Street, Bella Vista, to demand that Ambassador Musset and the elements known as members of Haiti's secret police (Tontons Macoutes) leave Panama.

The demonstrators carried placards demanding that Mussett expel the sinister policemen from Panama. They also carried the blue and red independence flag and white candles symbolizing the death of Jean-Claude Duvalier's dictatorial regime, which was overthrown last 7 February, after a 28-year dictatorship initiated by his father, Francois Duvalier.

Interviewed by LA PRENSA, group spokesman Ray Gerome, exiled from Haiti for the last 18 years, said they want democracy to return to their country and the "Tontons Macoutes" that are here to leave.

According to Gerome, they received a telegram from Port-au-Prince, alerting them to the presence of the now-pursued secret agents, including, as shown by his corresponding record and number, Ambassador Mussett himself.

Concerning Duvalier's reckless departure, Gerome said it was high time for it to take place, since countless arrests, tortures, imprisonments and cases of repression -- affecting members of his family -- had occurred during Duvalier's repressive regime of more than 28 years.

He estimated that almost 30 Haitian families living in Panama will now try to return to their country to participate in its economic, social, and cultural reactivation as democracy can be reborn there, as it should be in order to benefit future generations.

Asked about the performance of the United States, he said that this Caribbean dictator remained in power for so long thanks to U.S. aid. However, once it withdrew its aid, Duvalier fell. This happened, however, several days after his ouster was announced, because the United States knew Duvalier had to leave.

Concerning whether the provisional junta currently in power in Haiti is a continuation of the overthrown government, Gerome said that not much can be expected, as at present most of the opposition politicians are abroad and only the moderates have remained. In his view, these "moderates" will remain in power only until order and peace are established and the country is reorganized through normal elections.

Gerome pointed out, however, that the Haitian people continue to protest the presence of former President Duvalier's ministers, who remain at the head of the executive branch's ministries. "As there is no other alternative, it is necessary to momentarily accept that government, which also includes the Armed Forces, the real power, until normal elections are called and we can participate in the country's reconstruction," the spokesman concluded.

COSTA RICA

ARRIVAL OF 180 U.S. ARMY ENGINEERS ANNOUNCED

PA141852 San Jose Radio Reloj in Spanish 1200 GMT 14 Feb 86

[Text] A group of 180 U.S. Army engineers will arrive in Costa Rica next week to carry out civil projects in Parrita and Quepos. This was announced yesterday afternoon by Foreign Minister Carlos Jose Guiterrez, who said it is the result of a cooperation agreement through which U.S. Army civil engineers will build a bridge over the Hatillo Viejo River and repair at least four other bridges between Parrita and Quepos.

The U.S. engineers will come without weapons and will bring their own construction equipment. The Civil Police will be in charge of guarding the camps and movements of that group of U.S. Army personnel. During their stay in the country from February to the end of April, the U.S. Army engineers will spend more than $180,000, while Costa Rica will contribute approximately $100,000 in materials, fuel, and vigilance.

The stay in the country of these U.S. engineers will (?result) in the construction of projects urgently needed in the country. As a result, the road between Parrita, Quepos, and Dominical will be made passable. The bridge that will be built over the Hatillo Viejo River will be a Bailey bridge.

The negotiations for the arrival of the U.S. Army engineers in the country began last year. Their arrival signifies very important cooperation with our country, Foreign Minister Gutierrez said.

In 1984, Costa Rica turned down the U.S. Government's offer to sent 1,200 U.S. Army civil engineers to build the Canas-Upala road and other projects in the region on the border with Nicaragua because it was believed that their arrival was not advisable at that time. The aid has been accepted now, but just until the end of April, because it is a responsibility of the current administration, Foreign Minister Carlos Jose Gutierrez said.

ARIAS SANCHEZ FAVORS RESUMPTION OF NICARAGUAN TIES

PA161619 San Jose Radio Reloj in Spanish 0100 GMT 16 Feb 86

[Text] President-elect Oscar Arias Sanchez has stated that it was important for Costa Rica to normalize its relations with Nicaragua within the framework of efforts to seek peace and tranquillity. He said he does not agree with those who favored a break in relations with the neighboring country and added that the resumption of relations should not surprise anyone.

He also said the criticism from certain sectors against the normalization of relations with Nicaragua is prompted by the fact that the diplomatic language is too vague. He remarked, however, that Costa Ricans must look at the core of the matter: Do we want relations with Nicaragua or don't we?

He added that the question should be whether Costa Rica can handle the situation better with an ambassador in Managua or if this can be done better through a diplomat of another nation.

Arias Sanchez said he believes that relations with Nicaragua will not be good because of the international situation in that country.

According to him, this situation will continue as long as a document for peace in Central America is not signed. Therefore, he said, it is better to resume relations in order to solve future difficulties directly.

He said he had read the letters exchanged between Presidents Daniel Ortega and Luis Alberto Monge but noted he had not analyzed them.

On another subject, Arias Sanchez said it is up to Nicaragua to decide whether Daniel Ortega or any other government official will attend his inauguration. He recalled that the committee in charge of organizing the inauguration must invite all the governments of Central America, Latin America, and the world.

In conclusion, he reiterated that even if he makes an already announced trip to Central America, he is not planning to go to Nicaragua. [words indistinct]

MONGE, GUTIERREZ WANT OAS BORDER OBSERVERS

PA142118 San Jose Radio Impacto in Spanish 1830 GMT 13 Feb 86

[Text] The Costa Rican Government remains firmly interested in the installation of a permanent commission of OAS observers along the border with Nicaragua. This has been stated by President Luis Alberto Monge and Foreign Minister Carlos Jose Gutierrez. Gutierrez has said the commission would supervise the border between the two countries to establish what the real situation is.

In recent days, the Costa Rican authorities have denounced an incursion into Costa Rican air space, and the Sandinists claimed that one of their soldiers was wounded during an attack from Costa Rican territory. This is taking place despite the fact that the two countries have decided to renew their diplomatic relations after 9 months of frozen relations, a result of the Las Crucitas incidents in which two Costa Rican guards died.

Foreign Minister Gutierrez has said the Sandinist regime has apologized for this attack and has promised to respect the border and not carry out any activity against Costa Rica. He noted that Costa Rican territory will not be used by any rebel armed force to attack Nicaragua.

The foreign minister warned: We do not want anyone's military bases here. He added: An OAS commission of observers represents a guarantee of calm between the two countries.

GOVERNMENT ORDERS CLOSURE OF ILLEGAL AIRPORTS

PA162245 Panama City ACAN in Spanish 1836 GMT 15 Feb 86

[Text] San Jose, 15 Feb (ACAN-EFE) -- In an effort to fight drug smuggling, the Costa Rican Government Ministry has ordered the closure of nearly 200 private airports that were operating illegally, an official source has reported. The deputy government minister, Rene Castro, said this measure will affect those installations not duly registered with the civil aviation authorities, according to a ruling by the comptroller general of the Republic.

In recent months, the narcotics authorities have detected airplanes flying over areas such as Guanacaste Province in the north, and it is suspected that they were carrying drugs or narcotics traffickers.

Castro said the government will notify the respective owners of airports having problems to close them, and several days later the authorities will verify if the orders have been followed. In this manner, they will try to get all such airports duly registered.

The government ministry tried to implement this practice last December, but it was harshly criticized by pilots and businessmen, who felt the measure would not solve the problem of drugs and contraband but would cause them problems.

EL SALVADOR

VENCEREMOS REPORTS SHOOTING OF U.S. 'ADVISER'

PA160346 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Feb 86

[Text] Attention: Another Yankee's blood has been spilled on Salvadoran soil. Pay attention to the following report: A U.S. military officer, acting as adviser to the Salvadoran Navy was shot to death a few hours ago in a restaurant near the National Zoo in San Salvador. The report says Peter Stryker Hascall, 35 years of age, who was acting an an adviser to the Salvadoran Navy, was with two Army lieutenants when he was shot to death. Hascall had a firearm in his possession.

In our forthcoming transmissions we will give you more details. There are more than 52 military advisers in our country. Many are acting under cover, passing as businessmen, as salesmen of infrared equipment, and as paint experts, as the Armed Forces Press Committee, COPREFA, reported in the case of Peter Stryker Hascall.

The truth was that the gringo killed near the zoo was armed and was with two Army lieutenants. In our country, an armed gringo who hold the rank of captain and goes around with army officers is not a tourist.

Every gringo who comes to our country to make war or with the intention of subduing our people will certainly meet our organized people's reaction and will see his blood running in this worthy and rebel land.

U.S. MILITARY ADVISER CRIPPLED BY MINE EXPLOSION

PA160302 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Feb 86

[Communique issued by the FMLN General Command on 15 February -- read by announcer]

[Text] We wish to report that on 2 February, U.S. military personnel were accompanying the advancing Arce Battalion in its operation in Morazan. After comparing the intelligence reports from various points, we have confirmed that one of the U.S. military advisers accompanying the troops in that combat area was riding a horse taken from the people.

The Arce Battalion troops and the U.S. advisers momentarily stopped their military advance some 6 km from the town of Torolas at the site known as El Portillo de San Diego. After one of the above-mentioned U.S. advisers got off his horse, he stepped on an Atlancatl mine, placed by our guerrilla units against the enemy advance. The explosion blew off one of the adviser's feet. The report adds that as result of the blast, the horse was killed and one of the Arce Battalion troops was wounded.

General Onecifero Blandon, underestimating the capacity of our people, and trusting the U.S. officers to lead the operation, told the press at the beginning of the actions in Morazan that the next 48 hours would bring big surprises in the development of "Operation Carlos." Well, our enemies were the surprised ones when the Salvadoran colonels, serving as subordinates in the operation, witnessed the scene where one of their U.S. bosses had his foot blown off. From there on, the demoralization became so evident that it forced them to interrupt the operation after they had already suffered 48 casualties, 30 of them by revolutionary mines.

The U.S. military adviser wounded in Morazan is one of the CIA officers operating together with the Arce Battalion -- whose chief is Colonel Mauricio Estaben, a well-known CIA element in our country.

The U.S. Government, through the State Department, has tried to hide the presence of North Americans in the military operations of the puppet armed forces, claiming that they are participating in civic actions, distributing food. The U.S. adviser was wounded on 2 February, 6 km from Torola, as the troops advanced toward that town, in a combat area, where none of the so-called civic actions of the Army were carried out.

The participation of U.S. military elements in military actions is nothing new. U.S. pilots daily carry out intelligence operations over our territory. On 18 October 1984, the chief of these advisers in El Salvador, Colonel James Steele, took part in the helicopter airborne landing against the command of the northwestern front and Radio Venceremos during what was known as the "Torola-4," operation, in which the FMLN wiped out Domingo Monterrosa. Another U.S. adviser participated in the helicopter airborne operation in which commander Nidia Diaz was captured in the San Vicente Department.

All our people rejoice that the first U.S. military adviser has lost a foot as a result of an Atlacatl mine. Our people celebrate this with the same joy with which Atonal and the Pipil Indian warriors in 1524 saw the invader Pedro de Alvarado flee El Salvador in defeat with an arrow through his leg. Now, the imperialist aggressors have an example to take to Reagan to show what will happen to the Yankee invaders who remain in our country, staining our national sovereignty and independence.

The extent of intervention of the Yankee invaders is not determined by their presence in the combat areas but by us. Their presence anywhere in the Salvadoran territory, in acts of aggression against our people, marks them as military targets of our forces.

The U.S. people must increase their opposition to the warmongering policy of intervention in El Salvador being conducted by Ronald Reagan, who is leading the North American youth to a new Vietnam in our America. In this new adventure, thousands of North Americans will die or will be crippled -- just as happened this time to the U.S. military adviser -- until Reagan realizes that he cannot shackle our people or force them to their knees because we are aware that our sovereignty, our independence, and the destiny of our homeland is at stake.

GUARDSMEN FOUND GUILTY OF SLAYING 2 U.S. ADVISERS

PA141311 Panama City ACAN in English 1210 GMT 14 Feb 86

[Text] San Salvador, 13 Feb (ACAN-EFE) -- Tonight San Salvador's Fifth Penal Court found two former National Guardsmen guilty of murdering two U.S. labor advisers and one Salvadoran official in January 1981.

The public hearing of the two defendants Santiago Gomez Gonzalez and Jose Dimas Valle Acevedo lasted 12 hours amid strong arguments between the prosecuting team made up of six lawyers and the defense represented only by Luis Arevalos Diaz.

A jury of two women and three men found Gomez and Valle guilty of murdering Michael Peter Hammer and Mark David Pearlman, U.S. labor advisers, and Jose Rodolfo Viera, Salvadoran president of the Land Redistribution Agency. The triple murder took place at a San Salvador Hotel on 13 January 1981, and the legal proceedings began in September 1982.

The public hearing was conducted under Fifth Pena Judge Rolando Calderon Ramos.

The defense lawyer managed to put the prosecutors in a tight spot, arguing that the defendants had no motives to commmit these acts and that they had received orders from their superiors. In addition, the defendents' lawyer said Gomez and Valle were honest in admitting their actual involvement in this case, but noted that these men were obeying a military order, and military obedience is stressed in all the security corps.

According to the facts of this case, the defendants received the order from Lieutenant Isidro Lopez Sibrian, who was arrested in early 1983 for his role in the murder of the U.S. and Salvadoran citizens, but he was released when his case was dropped on 29 April of that year for lack of evidence.

According to official sources, the sentences against Gomez and Valle, which will be announced withinthe next 30 days, will be between 25 to 30 years, according to Salvadoran laws. This is the first case involving a political crime that has been tried so far this year.

Venceremos Comments

PA162352 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Feb 86

[Station commentary]

[Text] Two National Guardsmen were each sentenced Thursday to 30 years in prison. They have been charged with murdering two U.S. agrarian reform officials and Rodolfo Viera, president of the Salvadoran Land Redistribution Agency, in the Sheraton Hotel in San Salvador in January 1981.

Certainly, the guards must be punished for this crime, but they are not the sole murderers. They are not the only ones responsible, and they certainly are not the most important. The two National Guard members sentenced to 30 years on Thursday only obeyed the orders of their superiors. Captain Eduardo Alfonso Avila and Lieutenant Isidro Lopez Sibrian, both of whom were clearly involved in the triple crime at the Sheraton hotel, are free. The so-called Supreme Court of Justice declared these two officers innocent. And it is only ntural for this to occur because, had Avila and Lopez been tried, they would have mentioned other names of higher-ranking officers -- names of colonels and generals -- and this would not have been tolerated by the lame, blind, and limping Salvadoran justice system. So, only the two guards were sentenced. The oligarchs (Jancris) and (Seimesas) also were declared innocent during the hearings.

The rank and file of the Army and the so-called security organizations must ponder this. A crime occurs and officers and oligarchs are involved in it. All of them are guilty. But, at the time of retribution, only those of low rank, the guards, those who executed the orders, are sentenced.

The others are left comfortably free. The U.S. colonels, generals, and military advisers themselves turn agents and soldiers into murderers. They teach them to kill. At the time of the sentences, however, only the lowly are made to pay.

CHURCH CALLS ON ARMY, REBELS TO RESPECT CIVILIANS

PA170350 Panama City ACAN in Spanish 1929 GMT 16 Feb 86

[By Pablo Antonio Ayala]

[Text] San Salvador, 16 Feb (ACAN-EFE) -- The Catholic Church of El Salvador today asked the Army and the guerrillas to respect the lives of the civilian population during the clashes in the war areas. Father Jesus Delgado, who replaced Archbishop Arturo Rivera y Damas during the Sunday homily at the Metropolitan Cathedral, analyzed the situations prevailing in view of the armed conflict the country has been enduring for over 6 years. The priest emphasized all the violations and torture of human beings.

The priest warned the guerrillas not to mine the fields because many civilians who have nothing to do with this conflict between the Army and the rebels are being killed. "Brethren guerrillas: If you can no longer fight face to face, do not mine the fields because innocent children are being killed. Military gentlemen: Respect human lives," Delgado said.

He added that, according to testimony gathered by the legal aid section of the Archbishop's office, a 16-year-old was "severely" tortured at the general garrison of the Treasury Police, where he was given "some pills so he would talk." The priest added that the young man was taken out of his home by security agents who were looking for the youth's father, allegedly involved in guerrilla activities.

Delgado said so much "evil against innocent people is inflicted following orders" and "many of those inflicting the torture are only following orders." The priest added: "The Devil is working with cruelty and evil in El Salvador."

Jesus Delgado asked the soldiers, intellectuals, politicians, clergymen, domestic workers, and other workers "to develop an awareness so that we will not be used as instruments of this conflict."

According to Delgado, there are many millions of dollars the United States has pinpointed for educating the Armed Forces of El Salvador, but there are serious difficulties in obtaining these funds because the (U.S.) Senate insists that in this country "there is still torture and violence."

The priest explained that the Catholic Church is requesting that the Army be more careful in its treatment of the civilian population in the area near Guazapa Hill, where the counterinsurgency "Operation Phoenix" is being carried out, and where much of the civilian population has been fenced in. Delgado also asked the Armed Forces not to capture a group of 60 persons who managed to flee the combat area in Guazapa and requested refuge in the church at El Carrizal, in northern Chalatenango Department.

Delgado referred to the recent trial that condemned two former National Guardsmen for having killed two U.S. adivsers and one Salvadoran official, and said the true authors of this murder are free. "The verdict was guilty. That is great," Delgado said, "but where are the intellectual authors, the ones who gave the money, the weapons, the information, the names, and the place where the victims were?"

Last Thursday, former guardsmen Santiago Gomez and Jose Dimas Valle -- charged with having murdered U.S. advisers Michael Hammer and David Pearlman and Salvadoran official Rodolfo Viera on 3 January 1981 -- were found guilty during a public trial.

The priest said last week the Legal Aid Officer of the Archbishop's office registered 14 captured persons, 22 violent deaths outside of combat, 2 persons kidnapped by the guerrillas, 1 person murdered by the "Death Squads," and 3 Army casualties.

In the face of such actions, a pastor "cannot agree with the dark forces of injustice and evil, and cannot remain silent, even more so because in this war we do not want to confront one after the other," the priest concluded.

GUATEMALA

CEREZO ON U.S. AID, TALKS WITH GUERRILLAS IN 1986

PA180409 Guatemala City Domestic Service in Spanish 2140 GMT 17 Feb 86

[News conference with President Vinicio Cerezo and local and international reporters at the Banquet Hall of the National Palace -- live]

[Excerpts] [Reporter] Mr President, Minister Rodil [Government Minister Juan Jose Rodil Peralta] told us a few days ago about an apparent lack of technical ability in the police and that, as part of the reorganization of the security forces, plans are underway to ask the United States for economic assistance for the police. Has this been discussed? Do you know that there is considerable opposition in the U.S. Congress to this type of aid?

[Cerezo] I think there is considerable opposition to this type of aid in the U.S. Congress. Nevertheless, when I visited the United States prior to my inauguration, I mentioned that we would require technical assistance for the reorganization of the police department and that we would likely request it. We did not mention military assistance at the time, but only technical assistance for the police, because one of the people's rights -- this is a constitutional right in Guatemala and, I think, everywhere else in the world -- is security, not only politically, which interests international human rights organizations the most, of course, but also personal and individual security. This is vital. We have observed Guatemala's great number of criminal and security problems for a long time, and we are very concerned about this. We must cope with this problem somehow. We will also have technical and economic problems to increase the capacity of the Guatemalan security forces. Of course, we will request assistance for these types of things, which we do not believe are linked to political or human rights problems, but to the people's security. May I say that, of course, we will deal with this as we make progress in controlling these security forces to act within the law and the de jure state.

[Reporter] I am a PRAVDA correspondent.

[Cerezo] Correspondent of what?

[Reporter] PRAVDA.

[Cerezo] Oh, well, welcome.

[Reporter] Good afternoon. Excuse me, please, gentlemen. My question will deal not with the economic problem but will instead deal with the political and security problem, and, as you have said, the country's pacification.

In one of your answers to an EXCELSIOR correspondent, you said contact with the Guatemalan guerrillas will take place at the end of the year. Why do you plan to make contact and hold talks with the guerrillas precisely at the end of the year? This is my first question. With your permission, and if it is possible, I would like to ask another question, this time about Central American affairs. Tell me, what is the status of your contacts with Central American leaders about the Esquipulas meeting in May of this year? I know the initiative is yours.

[Cerezo] Thanks. One thing was mentioned in EXCELSIOR textually. Please note that I will stress this because I feel it is very important to point out the difference. I spoke about talks. On purpose, I did not use either the word dialogue or the word contact. I said talks. I said talks to invite the people who have chosen violence and guerrillas to be politically integrated into the country. Why did I say this and why the date? Because we have set priorities.

The Guatemalan people's priorities are not necessarily those of other countries. We Guatemalans want first to resolve our economic, eating, and working problems. This comes first. In the second place, our domestic security problems must be considered. This has two aspects: political and legal, that is to say, respect for Guatemalans before the law. Once this has been achieved and we have coped with the most important problems, we will create what will surely be a de jure state. This state will result from the police reorganization by the government and the adherence to the law of all the security organizations.

When we are sure that we have begun to work along these lines, I will be able to tell, with all moral authority, all those who use arms outside the law and who do not legally participate in the country's activities that, if they want to return to normalcy, they must lay down their weapons. We will talk with them some other time, try to determine the mechanisms for their return, and try to put an end to this problem of military confrontation. We would then find out whether they are willing to end this. As I have always said, in order to talk and reach an agreement with someone, two sides are required.

It could happen that we invite people to participate legally and are rejected. Or we could not, perhaps. We hope we will be not rejected. We hope this laying down of weapons is accepted and legal participation in the country occurs. Yet, we said this and placed this as a second place priority because this will be the result of establishment of a de jure state in Guatemala. Naturally, we will give the guerrillas the opportunity to choose, yet we will keep our stance that a democratic government has a right to defend its democracy within the law and, of course, to do so by allowing the political participation of those who want to, peacefully and without weapons, regardless of their political ideologies.

As for Esquipulas, we have made headway in preparation of the works, I mean the Central American parliament proposal, and the meeting's working agenda will be presented to them. The meeting has been accepted by all the presidents. We will send a delegation to Central America to present the working document prior to the May meeting so they can make suggestions and remarks. The plan is to make progress on the constitution of the Central American parliament so it can be a forum for political and economic discussion where the various Central American political trends will be represented.

CEREZO GRANTS AMNESTY FOR POLITICAL CRIMES

PA171836 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Feb 86

[Text] Guatemalan President Vinicio Cerezo has told the Mexican paper EXCELSIOR that it is necessary for talks between his government and the leftist guerrillas to begin this year.

I believe that by the end of this year, more or less, we may begin talks with those sectors to invite them to participate in politics, Cerezo told the paper in an interview published today.

Cerezo also said he will comply with a decree issued by the government of General Oscar Humberto Mejia Victores. The decree granted amnesty for political crimes committed between March 1982 and January of this year.

PRESIDENT MEETS MUTUAL SUPPORT GROUP LEADERS

Promises To Help

PA170414 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 14 Feb 86

[Text] President Vinicio Cerezo met today with leaders of the Mutual Support Group [GAM] at the National Palace and promised to have answers regarding the nation's missing persons within a given amount of time. The following is a part of Cerezo's statement to the GAM leaders:

[Begin Cerezo recording] I cannot promise to do things that are beyond my power. If one of my personal characteristics stood out during the electoral campaign, it was that I never promised anything that I cannot fulfill. In speaking to some of you on earlier occasions, I said I can promise to try to find the truth about what happened. This is what I am going to try to do.

You have made statements. I heard that a document was published yesterday stating many things. It states that we must solve practically all of the country's problems of the past 20 years -- the Panso tragedy and others. We must try to solve as many problems as we can. You know perfectly well that President Vinicio Cerezo has nothing to do with the disappearance of the people you have lost. President Vinicio Cerezo is trying to create conditions so that other parents and other wives will not suffer what you are suffering. We must (?think) about how we are going to achieve this. You people do not have the answer, and neither do I. You may have some suggestions and pointers, and my role as president is to listen to what you tell me and consider if what you ask is good for all Guatemalans and not only for you. You have the right to make demands, but the president is obliged to make decisions for the benefit of all Guatemalans, not for each sector. [end recording]

During the meeting, Linnette Montenegro de Garcia, the main leader of the GAM, told Vinicio Cerezo that he knows who is responsible for the kidnappings and missing persons.

[Begin Montenegro recording] As leaders of the GAM, as relatives of persons who have been captured or are missing, [words indistinct] (?we believe that progress has been made.) We know perfectly well that you are not responsible for the capture and disappearance of our loved ones. We know who is responsible and so do you. We also know that you must restore confidence in the vote and in the credibility of the law. (?this is what we want). We would never go against the people; on the contrary, we have come here with concrete and objective requests and we believe they can be fulfilled if a dignified, conscientious, [word indistinct], and moral attitude is adopted in support of the people [words indistinct]. [end recording]

Finally, Vinicio Cerezo announced that within 2 weeks he will have conclusions on the topic of the mission persons.

[Begin Cerezo recording] I will say this. I believe the request made is very concrete.

I am going to accept the request and the other documents you present, and I promise that after discussing and considering it with my political advisers or the appropriate ministers, I will try to give an answer regarding the decisions we have adopted at another meeting similar to this one. I will do this within the shortest time possible. I ask you to give me a maximum of 15 days, and probably by the end of next week I will send you an invitation to another meeting, at least 3 days in advance. At this meeting I will inform you of the resolution adopted in response to the request you have presented [words indistinct].

It is possible that the need may arise for consultations prior to publicly announcing a decision. Therefore, I ask you to be understanding because a brief consultation meeting could be called by the board of directors... [interrupted by brief question] Yes, that is what it is called. Board of directors or coordinating group for any type of quick consultations so that when a resolution is presented I will have been able to clarify some issues if necessary. To present the draft of the answer to the memorandum you presented we will invite everyone here so we can discuss it with all of the people affected. [end recording]

GAM Gives Government Deadline

PA172203 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 17 Feb 86

[Text] The Mutual Support Group [GAM] has set a deadline -- to be in force for the rest of the month -- for the government to give the group conclusive reports on investigation concerning the whereabouts of missing and kidnapped people. Meanwhile, an ex high-ranking officer also discussed this during the weekend. General Benedicto Lucas Garcia, formerly Army chief of staff, has advocated a legal inquiry into this matter. Lucas held office during the government of his brother, General Fernando Romeo Lucas Garcia, during whose term the disappearances denounced by the GAM allegedly would have occurred.

So far, the GAM's contacts with the former de facto and the current constitutional governments to clarify these cases have proved fruitless. The GAM itself dismissed the possibility of discussing the matter with Government Minister Juan Jose Rodil Peralta and chose instead to ask President Vinicio Cerezo for a hearing. The president granted it on Thursday. The reaction of Gen Benedicto Lucas, retired, occurs amidst expectations by the missing people's relatives that the solution which the current government offered to give them within 2 weeks is forthcoming.

[Begin recording] [Lucas] Relations with the people are getting better. Naturally, a certain resentment and hatred have been expressed for some time now because, of course, mistakes were sometimes made in the past. So these mistakes were made, and some people are quite vexed about this.

Little-by-little, however, the people have become more and more identified with the military. These relations will become even better now that the military men have returned to their barracks, though I understand that not all of them have yet returned to their headquarters. As a result of this, coexistence will be a lot easier. I feel that peaceful coexistence is what makes relations between civilians and the military possible.

[Unidentified reporter] You mentioned that a certain harmony between the civilian regime and the Army exists. Yet, will this harmony continue if the authorities carry out an investigation of the regimes that ruled the country from 1978 to 1985 by applying the formula used in Argentina by President Raul Alfonsin?

[Lucas] I feel there are viewpoints and viewpoints. It is true that many people, including the GAM, accuse many military people.

Apparently, even I have been accused of committing certain outrages. I think they have generalized. In order to be more positive, they should act more seriously because they can sometimes harm the dignity of honest people. I consider myself honest, truly nationalist, and of deep humaneness. I would never lend myself to making the type of mistakes they have mentioned.

Anyway, it is the tribunals that must cope with this. Should the tribunals establish the guilt of some of those accused, it would have to be based on the GAM's charges. I don't think the rest of the population would oppose this. The problem deals with the relatives -- I deeply regret that these people have been reported missing -- the GAM people, and the military who end up being involved. Some of them surely are involved, but we still have to find out who. They must be identified. Let not this group, however, accuse people a priori without being certain of their charges. [end recording]

PARTICIPATION IN AREA MILITARY EXERCISES DECLINED

PA141926 Guatemala City EL GRAFICO in Spanish 13 Feb 86 p 5

[Text] Upon being asked unofficially a few days ago to participate in military exercises with armies of other Central American countries and Panama, President Vinicio Cerezo Arevalo, in his capacity as commander general of the Army, together with a corp of advisers and Army members, rejected such a proposal for the time being. He pointed out that current conditions are not appropriate for such exercises in Central America; in fact, they could hinder the democratic spirit that inspires Guatemala.

Although Cerezo did not specify a date when Guatemala could participate, due to the circumstances he left open the possibility in case it is necessary for our country to participate in such exercises in the future.

Foreign Minister Explains

PA171751 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Feb 86

[Text] Guatemalan Foreign Minister Mario Quinonez has said during a news conference that military maneuvers on the Pacific Coast contribute nothing to detente in the Central American area. This was the minister's answer to a question about Guatemala's refusal to participate in the joint exercises.

[Begin Quinonez recording] Actually, I believe the reason is that we do not have a large merchant marine [as heard] with which to participate in military maneuvers. The idea is not greatly attractive to us.

On the other hand, Contadora has always criticized the staging of military maneuvers. Military maneuvers, then, would only make the situation more complex and more difficult instead of promoting detente. This is one of the prevailing reasons for our decision. [end recording]

The Guatemalan foreign minister today discussed the regional situation, in view of the various opinions expressed on the role of the Contadora Group, including that of former U.S. President Jimmy Carter.

[Begin Quinonez recording] Well, I respect former President Carter's viewpoint, although I do not share his opinion. I believe that Contadora, despite being very harshly criticized by certain sectors, has played a very important role, which is to have helped create a kind of dike to keep back the waters.

That dike has in some ways kept the Central American conflict from becoming generalized. I believe we must applaud Contadora for this.

I would like to point out something that is very important and which we may be mentioning for the first time. Why hasn't the Central American conflict been taken to the OAS or the United Nations? I believe the answer is that in each of these organs -- the OAS is the regional organ -- one or more countries were afraid that it would not be possible to act with absolute impartiality when (?other OAS states) were involved. Nor was there any desire to take the matter to the Security Council because the superpowers would be involved there. Thus, there is no desire to go to the United Nations. This is one of the basic reasons the Latin American countries took the situation in hand and created Contadora as a Latin American mechanism to maintain an attitude of (?comprehension) and impartiality. This has been Contadora's attitude.

It is not an easy problem; if it were, it would have been resolved a long time ago. Complex factors must be taken into consideration in order to be successful. That is exactly why it has been so difficult for Contadora. However, I believe that a great amount of progress has been made, and we should not forget that basically Contadora has been a dike to contain the conflict. [end recording]

SALVADOR ENVOY DENIES BORDER CLOSED TO PRODUCTS

PA180008 Guatemala City PRENSA LIBRE in Spanish 17 Feb 86 p 2

[Text] Oscar Echeverria, Salvadoran ambassador to Guatemala, yesterday denied that his country has closed its border to Guatemalan products and indicated that El Salvador has only implements several fiscal measures to correct its commercial imbalance. He said these measures are applied to nonessential products from anywhere in the world and are not aimed at Guatemalan producers, from whom El Salvador wants to continue to buy.

He said: Regarding trade with Guatemala, the figures indicate that El Salvador has a deficit amounting of more than 80 million Central American pesos. For this reason, authorities are seeking the necessary mechanisms to correct this within a climate of understanding. He also said: These fiscal measures are similar to those Guatemala has imposed on products from other countries to correct its own economic situation.

The ambassador reiterated that the borders are open and that there is a willingness to talk with the authorities to resolve problems of any kind. He said further: We want to seek formulas to eliminate the imbalance so El Salvador can continue to be the great purchaser of Guatemalan products.

Finally, Echeverria pointed out that he expects the excellent relations between the two countries to continue, as they have so far, in a climate of justice and understanding.

GOVERNMENT MINISTER ANNOUNCES MILITARY OFFENSIVE

PA141403 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Feb 86

[Report on statement by Government Minister Juan Jose Rodil Peralta; date or place not given -- broadcast in progress]

[Excerpts] ...Juan Jose Rodil Peralta, the minister of that sector, announced the details of this operation:

[Begin Rodil Peralta recording in progress]... prevention. The next most important operation we will implement in the near future will be a disarming campaign [campana de despistolizacion] that will be carried out at unprecedented levels. We will do this in Guatemala City, on the roads, and in the cities of the country's interior.

This program will begin within the next 15 days and will be of a permanent nature. It will involve searches of cars, as well as searches of people and pedestrians. We will do this within the limits of the Constitution. We will use systems that will avoid, as much as possible, the creation of traffic jams. We know that this will create inconveniences. In fact, the spot-check system we will use may result in delays for some. At a given time we may stop a driver and he may spend 20 to 25 minutes at the search point because we will be very thorough and cautious in searching vehicles and people for arms and drugs.

In addition, depending on the information we already have on hand, we will ask for pertinent warrants to search all those places suspected of hiding something.

I want to note that, as far as this disarming campaign is concerned, we will use the media to give pertinent information to people so that all those carrying weapons illegally can easily protect themselves by going to the pertinent authorities to request arms permits. [end recording]

Rodil Peralta announced that the police will be reorganized in two stages:

[Begin Rodil Peralta recording] We will reorganize the police in two stages: The first stage using the means available to implement measures that are as comprehensive as possible to stop crime. The second stage consists of a thorough reorganization of the police involving technical programs and financial resources. Anyhow, we are not closed to criticism. It will always be welcome. But we need understanding.

A vicious circle exists. It involves a lack of resources, a lack of technical capacity, and corruption. How do we break this cycle? We broke this cycle on 14 January with a firm political decision that we will change the police. We will put an end to a repressive police system and will replace it with a preventive police. Now, the wheels to get this political decision going involve technical aspects and equipment and this we cannot implement immediately. [end recording]

HONDURAS

AZCONA FAVORS SUSPENSION OF AID TO CONTRAS

PA150350 Paris AFP in Spanish 0258 GMT 15 Feb 86

[Text] Tegucigalpa, 14 Feb (AFP) -- President Jose Azcona today accepted a recommendation by the Honduran workers and peasants demanding the suspension of aid to anti-Sandinist groups "operating from Honduras." Azcona met this Friday with leaders of the Worker-Peasant National Committee of Honduras (CONOCH), who also made other demands concerning employment, agrarian reform, health, education, and human rights.

On foreign policy, and relations with Nicaragua in particular, CONOCH recommended that Honduras "abstain from supporting the counterrevolutionary forces operating from our territory." Likewise, it noted that the Azcona government should "reconsider its diplomatic relations with Nicaragua, on the basis of the principles of nonintervention and respect for its self-determination as a sovereign country."

The leaders also recommended that Honduras "deepen its commitment to the Contadora Group or to any other Latin American initiative intended to promote peace in the region."

After the meeting with the labor leaders, President Azcona said he agreed "100 percent" with the demands of the labor and peasant organizations.

REGALADO VIEWS APPOINTMENT AS COMMANDER IN CHIEF

PA141610 Tegucigalpa Radio America in Spanish 0033 GMT 14 Feb 86

[Interview with Colonel Humberto Regalado, commander in chief of the Honduran Armed Forces, by unidentified journalists outside the National Congress in Tegucigalpa -- live]

[Text] [Reporter] What do you think of the remarks by the deputies last night when they were electing you?

[Regalado] Well, I think we have a deliberative National Congress. This is the result of the democracy that exists in Honduras.

[Reporter] Colonel, the Honduran people have great hopes in you regarding the solution of a number of political and other problems that in some way involve the Armed Forces -- for example, the problem of the approximately 100 missing Hondurans. What plans do you have concerning this?

[Regalado] Well, regarding the missing, the former commander in chief issued a communique explaining the official position of the Armed Forces, which is that anyone who has proof can go, not to the Armed Forces, but to the appropriate courts, and file a request for the individual who might be responsible for this problem. Then, the Armed Forces will immediately place the named member of the Armed Forces at the disposal of the proper courts.

[Reporter] You have acquired a historic commitment with the Honduran people. The professionalism of the Armed Forces must be maintained at the level that has been achieved at this time.

[Ragalado] Yes, the professionalism of the Armed Forces is permanent. If you look back at the history of the Armed Forces, they were born with the country. Year after year, decade after decade, we have evolved, and we are here proud to be a professional army recognized throughout Latin America as a professional organization.

[Reporter] There was great controversy in the Armed Forces regarding the list of candidates for the post of commander in chief. Has the high command really deposited in you all the responsibility and given you power to really command the Armed Forces without tying your hands?

[Ragalado] The leadership of the Armed Forces is very professional. In other words, one does not represent oneself but forms part of a group of men who also deliberate democratically and make their recommendations. Of course, the power of the commander in chief is to make decisions. That power belongs only to the commander in chief. With this I mean that all the decisions made by the commander in chief are the result of the recommendations made by the officers in the institution.

[Reporter] Is the hierarchical order in the Army being lost?

[Regalado] Not at all. The hierarchical order can never be lost.

Our organizational structure is comprised of echelons and hierarchy. For centuries, armed forces have existed in such a way, with lower and higher echelons. The hierarchical order or the organization of the institution cannot be restructured. It is dynamic as all things are, but the organization cannot be broken.

[Reporter] [Words indistinct] fear that you will be ousted like General Gustavo Alvarez Martinez and General Walter Lopez Reyes were ousted, reportedly because of internal struggles for leadership within the Armed Forces?

[Regalado] No, that is not true. If you look at the history of the commanders in chief or the chiefs of the Armed Forces, in 20 or so years we have had six or seven commanders in chief. They have fulfilled their service and in one way or another they have retired. You see that there is a strong military institution ready to fulfill its constitutional duties.

[Reporter] Then it is false that there are divisions within the Armed Forces as has been rumored.

[Regalado] Well, the division in the Armed Forces exists in an operational aspect. The Americans have their essential combat unit, which is called a division. Our (?essential) combat unit is the infantry unit. This is technical military jargon. With regard to internal divisions, there can be no internal divisions in the institution. If you will remember, we have laws that regulate (?our) service in the institution. These are strong laws, such as the military code and the military regulations.

[Reporter] [Words indistinct] is it true that the CIA had something to do with the ouster of Walter Lopez?

[Regalado] Definitely not. We are sovereign people. We Honduran people and, in this specific case, the Armed Forces make the decisions.

[Reporter] [Words indistinct] Gen Walter Lopez Reyes?

[Regalado] He voluntarily resigned the post of commander in chief. He is an officer on active service, and he can come to Honduras whenever he wants.

IMPORTANT CHANGES IN MILITARY LEADERSHIP EXPECTED

PA150408 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 13 Feb 86

[Text] Following the election of the new commander in chief of the Honduran Armed Forces, Colonel Humberto Regalado Hernandez, there will be important changes within the military institution. William Said Speer is to be Commander of the Army, replacing (Guillermo Suman), who will be the chairman of the Joint Chiefs of Staff. Lufty Azzad Matute will be commander of the 1st Infantry Battalion, replacing (Leonel Huedernati), who will become commander of the Public Security Forces.

These changes consolidate the control exerted over the Armed Forces by the 5th Army graduating class [quinta promocion del ejercito], which has now recovered control of the situation after the departure of General Walter Lopez Reyes. Other changes will come in time, but they will not be as significant, becuase the Special Tactical Group will remain under the control of Colonel Leonel Gutierrez Minera, and, a as we said 2 nights ago, the officers of the 6th [as heard] occupy well-deserved positions in which they are demonstrating experience and merit.

U.S. ENVOY'S 'PRESENCE' SAID PERVASIVE

PA141645 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 13 Feb 86

[Neri Artiaga report]

[Text] Yesterday, U.S. Ambassador John Arthur Ferch once again attended a major event in our national life. Coincidentally, the U.S. ambassador does not miss a single major event involving civilians and those having an influence on the military.

The U.S. envoy first visited the presidency and met with President Jose Simon Azcona. He arrived at the Legislative Palace 5 minutes before the National Congress session got underway. He talked to Congress President Carlos Orbin Montoya, as well as to other members of the Congressional leadership. The ambassador was accompanied by U.S. Congressman McCartney [as heard] who is very interested in democracy in Honduras, and is very well known in the United States for his interest in finding soldiers missing in action in Vietnam.

When told that his visit coincided with the election of the commander in chief of the Armed Forces, Arthur Ferch, or reporter Ferch as he calls himself, just smiled, as is his custom when we newsmen ask him questions that we feel deserve an explanation. Regarding the coincidental visit, Carlos Montoya said:

[Begin recording] [Montoya] Well, he is a [word indistinct] congressman. He is well known in the United States for searching for soldiers missing in Vietnam. He chairs a congressional committee. His visit coincides with the election of the new chief of the Armed Forces and there is nothing else to it.

[Artiaga] In sum, there is no implicit message.

[Montoya] None at all. They [not further identified] do not realize that this is a group of congressmen and their advisers from a special committee visiting Central American region. They are leaving tomorrow for Guatemala.

[Artiaga] Mr Montoya, since every time we ask the ambassador this sort of question he just smiles, could you tell us if you and the ambassador discussed the event taking place today -- that is, the election of the new commander in chief of the Honduran Armed Forces?

[Montoya] Not at all. [end recording]

At any rate, in national agreements, in the composition of the National Congress, in agreements made by party blocs, or in the election of the commander in chief of the Honduran Armed Forces, U.S. Ambassador Arthur Ferch's presence is linked to everything that takes place in Honduras.

GEN LOPEZ REYES RETURNS FROM UNITED STATES

PA150130 Panama City ACAN in Spanish 2119 GMT 15 Feb 86

[Excerpts] Tegucigalpa, 15 Feb (ACAN-EFE) -- General Walter Lopez Reyes, former commander in chief of the Honduran Armed Forces, returned today to this capital from the United States. A private jet landed at noon today at Toncontin International Airport carrying the general, his wife Miriam, and their two small sons.

There was speculation that the CIA had intervened in Lopez Reyes' resignation. "That is not true," Honduran President Jose Azcona Hoyo said, "Gen Lopez' return today is the best proof of this."

Lopez Reyes said: "Whenever a top-ranking military officer from any country resigns there is always speculation and a lot of unfounded rumors." He said he is glad to be back in his country and as of this moment he is at the service of the president and the new chief of the Armed Forces, whom he considers "a well-trained officer with qualifications to occupy that post." He said he might be appointed to the Armed Forces Advisory Committee.

He also said he is pleased to know that the workers and peasants have submitted a plan to the Armed Forces to improve the agrarian reform process and that they have offered their support to the military institution.

He denied U.S. newspaper reports commenting on the reasons for his resignation and the CIA's role in it.

BORDER AGREEMENT SIGNED WITH EL SALVADOR

PA151913 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 13 Feb 86

[Excerpt] Honduran Foreign Minister Dr Carlos Lopez Contreras and his Salvadoran counterpart Rodolfo Claramount have signed a special agreement, treaty, or accord for the demarcation of the Honduran-Salvadoran border. Upon his arrival at Toncontin Airport yesterday, the foreign minister explained to "HRN" [call sign for Voz de Honduras] and the Honduran people what the accord is all about.

[Begin recording] [Lopez] Actually, this is a simplified, executive accord that aims to execute or finalize pending demarcation in keeping with the General Peace Treaty, that is, the seven sections that were delimited in accordance with Article 16 of the General Peace Treaty.

Unfortunately, within the 5-year time limit not all sections were demarcated; only approximately 72 km in the seventh section were demarcated. We must finalize that demarcation. Therefore, we thought it was necessary to sign this accord to save the markers already in place and to conclude the remainder. That is the scope of this agreement; it has nothing to do with delimitation. It only involves the technical and material functions of demarcation.

[Unidentified reporter] Mr Foreign Minister, what is the scope or validity of this treaty?

[Lopez] I repeat: This is for the strict, specific function of demarcation; it has immediate validity and will be indefinitely in force until the actual demarcation of the border is concluded.

[Reporter] Mr Foreign Minister, does the accord signed in San Salvador have any repercussions for positions adopted by Honduras and our neighboring country when they appear before the International Court of Justice at The Hague?

[Lopez] It has no repercussions for the positions of the two states regarding appearances before the International Court of Justice. On the contrary, the agreement expressly states that it does not make any change in the treaty. Therefore, the option to go to the court is open. According to the General Peace Treaty we are now within the 6-month period for negotiations on the commitment to resort to that court.

NICARAGUA FREES FISHERMEN HELD SINCE 1985

PA150323 San Pedro Sula TIEMPO in Spanish 11 Feb 86 p 3

[Press release issued by the Foreign Secretariat in Tegucigalpa; dated 10 February]

[Text] The Honduran Foreign Relations Secretariat informs the national public that on Friday, 7 February, the Nicaraguan Government released 21 seamen who were crew members of the vessels Mis Collen and Sterkling. Their names are as follows:

Mimis Collen [name as published]: Jeronimo Fernandez, Leoncio Martinez, Siriaco Alvarez, Marco Tulio Alvarez, Ovino Castillo, Orlando Figueroa, Catalino Aranda, and Emilio Diaz.

Sterkling: Roy Wood Jr (captain), Jimmy David Godfrey, Lino Alvarez, Francisco Martinez Hernandez, Carlos Lizon, Carlos Holin, German Martinez, Williams Aquino, Izac Manaiza, Luis Green, Victor M. Avila, Flavio Suzzo A, and Francisco Ramirez.

The men were released at the Zona Franca Penitentiary Center, in the city of Managua, by an officer of Central American Affairs of the Nicaraguan Foreign Ministry. They were released to the adviser and consular charge d'affaires of our diplomatic mission in Managua.

The fishermen were released in fulfillment of a promise made by the Nicaraguan vice president, Dr Sergio Ramirez Mercado, during his visit to Honduras to take part in the swearing-in of President Azcona Hoyo, and as a result of fruitful efforts made by the Foreign Ministry since 7 June 1985.

Tegucigalpa, 10 February 1986; Information and Press Directorate, Foreign Relations Secretariat

NICARAGUA

D'ESCOTO PROTEST ON U.S. ENGINEERS IN COSTA RICA

PA150347 Managua Domestic Service in Spanish 0303 GMT 15 Feb 86

[Text] Foreign Minister Miguel D'Escoto Brockman sent a message today to the foreign ministers of the Contadora Group and of the Support Group voicing most serious concern over the U.S. decision to send 180 [number as heard] military engineers to Costa Rica. We now read the message of the Nicaraguan foreign minister:

Managua, 14 February 1986; Mr Minister:

I have the honor to address your excellency in order to express the Nicaraguan Government's most serious concern over the U.S. Government's decision to send 180 military engineers to Costa Rica, something which increases tension in the area and again mocks the efforts being carried out by the Contadora Group and the Support Group to achieve peace in the Central American region.

As you well know, the Caraballeda declaration approved by all the Central American countries clearly specifies the need to adopt actions that will promote reciprocal trust among the Central American countries.

This has the purpose of creating an atmosphere that will allow the Contadora Group and the Support Group to progress in their work of seeking peace in Central America.

To this effect, the action of sending U.S. militarymen to Costa Rican territory contradicts the spirit and the letter of the Caraballeda declaration, while it tries to overshadow the Nicaraguan efforts for achieving a normalization of relations with Costa Rica, with a view to contributing to peace in the region.

The Nicaraguan Government sincerely hopes that Costa Rica will be able to enforce the policy of neutrality proclaimed by President Luis Alberto Monge, as this would represent a substantial contribution to peace in the region and a continuous source of confidence that would allow our mutual relations to develop further.

To conclude, Mr Minister, our government wishes to emphasize that this new U.S. measure undoubtedly ratifies the U.S. Government's rejection of the Caraballeda document and is in line with the policy recently announced by President Ronald Reagan of continuing to finance the war of aggression against our country. Such a stand was announced when the foreign ministers of the Contadora Group and of the Support Group were still in Washington. I avail myself of this opportunity to reiterate to your excellency the testimony of my highest consideration.

[Signed] Miguel D'Escoto Brockman, foreign minister.

D'Escoto Deputy Comments

PA142103 Managua Radio Sandino in Spanish 1930 GMT 14 Feb 86

[Text] Acting Nicaraguan Foreign Minister Jose Leon Talavera has warned that the increase of U.S. militarymen in Costa Rica might overshadow the important step in normalizing relations between the two nations. Leon Talavera made the statement when it was learned that 180 U.S. military engineers will be sent shortly to Costa Rica at the same time that Managua and San Jose had decided to settle their differences over a border conflict that took place last year.

The acting foreign minister said that Washington's attitude is in contrast to the Caraballeda appeal made by the Contadora and Support Groups, which are demanding the elimination of foreign military from the area. It is not by mere chance, he said, that the Pentagon's decision coincides with the meeting of the Contadora Group and of the Central American plenipotentiary delegate meeting that opened today in Panama. Local political sources from both the government and the opposition reacted favorably to the announcement that Managua and San Jose had normalized their relations.

ORTEGA VIEWS 1986 GOALS, ECONOMIC POLICY

PA161913 Managua International Service in Spanish 0000 GMT 16 Feb 86

[Text] Daniel Ortega Saavedra, Nicaraguan president and commander of the revolution, has stated that the people's mobilization toward productive goals and the defense of their standard of living are vital elements in the military defense. He made this remark when announcing economic goals and policies for 1986 in a work session held with the cabinet, the Sandinist Assembly, and the mass organizations. He also stressed that, in order to defeat the mercenary forces, the country must meet the material demands of military defense, guarantee the basic infrastructure of production, and make greater efforts to increase exports.

In conclusion, the chief of state asserted that although the aggression is forcing us to develop an economy of survival, state agencies must increase their administrative efficiency and support budget efforts.

FOREIGN MINISTRY COMMUNIQUE ON CONTRA AMBUSH

PA172024 Managua Radio Sandino in Spanish 1930 GMT 17 Feb 86

[Text] The Nicaraguan Foreign Ministry has denounced to the world the criminal counterrevolutionary ambush carried out against a group of mothers and young people 15 km from Somotillo. When the Foreign Ministry issued the communique, Mrs Candida Rosa Castellon had not died. She died later at the Mauricio Abdala Hospital, in Chinandega.

[Begin recording by unidentified speaker] The Nicaraguan Foreign Ministry hereby informs the international community of the following events: Yesterday, 16 February of this year, at 2040, a group of mercenaries at the service of the U.S. Government entered Nicaraguan territory from Honduras and ambushed a civilian station wagon belonging to the project called (Siunorte), in the area known as Rancho Grande, 15 km northwest of Somotillo.

Four civilians, including a Swiss agronomist who had been working with the cooperatives of the area, were murdered in this action. Thirteen civilians, including three children under one year of age, were wounded in this attack.

The Nicaraguan Government denounces the U.S. Government and holds it responsible for these truly terrorist actions being carried out under the direction of the CIA, actions that have again resulted in death and harm to the physical integrity of innocent civilian citizens, including children. These crimes, in line with the objective of directly attacking the civilian population to sow terror and unrest in the area, once again make clearly evident the criminal nature of the mercenary forces that the U.S. Government has created to attack Nicaragua.

This action is a product of the state terrorism policy that the U.S. Government is implementing and represents a flagrant violation of the human rights of the Nicaraguan people and civilian volunteers from other parts of the world. It makes evident the brutal nature of the war of aggression being waged against Nicaragua as well as the irrationality of the policy of the U.S. Government of asking for new funds to give military aid to these terrorist groups that, unable to make any headway in the military field, dedicate themselves to attacking civilian objectives and to murdering defenseless persons.

Managua, 17 February 1986

We have read a communique denouncing the murder of four civilians, including a Swiss agronomist who was working in the cooperatives near the Rancho Grande sector. There were 13 civilians wounded, including three children under one year of age. Thank you, companeros. [end recording]

COLOMBIA'S OCAMPO CRITICIZES U.S. AID TO REBELS

PA141505 Managua Radio Sandino in Spanish 0000 GMT 12 Feb 86

[Text] Colombian Foreign Minister Augusto Ramirez Ocampo said today in Washington that if the United States steps ups its military aid to the counterrevolution, it would deal a death blow to the Contadora Group. President Reagan's plan to obtain more aid for the counterrevolution violates international law and hinders peace, the minister added.

Ramirez revealed in Washington today that foreign ministers of the Contadora and Lima [support] groups yesterday clearly warned Secretary of State George Shultz that granting aid to counterrevolutionaries attacking Nicaragua is a direct action against the principles of the Caraballeda document.

The U.S. President today reaffirmed that his administration will do everything possible to obtain more financial aid for the Somozist counterrevolution. In an interview appearing today in THE WASHINGTON POST, Reagan maintains that economic and military aid is urgently needed for the Somozist counterrevolution. A Contadora Group source commented that such a statement by Reagan, when the foreign ministers of the Contadora and Lima groups are still in the United States, is a slap in the face to their efforts, which is peace. When he read the U.S. President's statement, Colombian Foreign Minister Augusto Ramirez Ocampo said that, without a doubt, this attitude goes directly against the peace spirit of the Caraballeda declaration.

REPORTAGE ON POLITICAL PARTIES' CONFERENCE

Statement Issued

PA141600 Managua Radio Sandino in Spanish 1200 GMT 11 Feb 86

[Excerpt] Caribbean and Central American organizations support Nicaragua's struggle. The second meeting of the anti-imperialist organization of the Caribbean and Central America has condemned the U.S. policies of state terrorism, relentless military and economic aggression, threats of direct military intervention, and attempts to topple the legitimately elected Government of Nicaragua.

This organization, which includes 43 delegates representing 30 organizations from 18 countries, issued a declaration last night. Rafael Fafa Taveras, president of this organization, unveiled the declaration today. The conference of political parties and organizations spoke out against any U.S. attempt to militarily intervene in Haiti. Moreover, it celebrated the removal of the tyrant Duvalier by the Haitian people, considering that democratization in Haiti calls for respect of sovereignty, and the right of political exiles to return freely.

The delegates to this meeting condemned the IMF policies which seek to impose economic dictates on the area countries, and the developing countries in general, in order to benefit the great international capitalists. The delegates expressed their support of the struggle of the Salvadoran and Guatemalan people, and demanded an end to human rights violations in Central America and the Caribbean.

On 27 February, the Caribbean peoples will mobilize to protest the foreign debt. Yesterday, Rafael Fafa Taveras president of the anti-imperialist organization of the Caribbean and Central America, announced that on 27 February, the Caribbean and Central American peoples will stage a mass demonstration against the foreign debt. Taveras, who is attending the second Latin American and Caribbean political conference highlighted the importance of the conference because the United States plans to intervene in Nicaragua and Haiti.

Peace Brigades Suggested

PA140408 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] The Conference of Latin American and Caribbean Political Parties has asked the Nicaraguan Government to grant the right to establish a Latin American brigade for peace and against intervention that would provide peaceful solidarity and embody the struggle for peace in Latin America.

This request was made last night by Andres Pascal Allende, of the Movement of the Revolutionary Left, MIR, of Chile, who warned that if the United States decides to invade Nicaragua, the peace brigades will become combat brigades to defend Nicaraguan sovereignty. Moreover, Allende asked the political delegations to carry out mass mobilizations and campaigns to obtain economic and material support for the reconstruction of Nicaragua, which is facing an economic crisis at present as the result of U.S. military aggression.

FARC Promises Support

PA140355 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] Colombian guerrilla commander Jaime Guaraca said yesterday in Managua during his speech at the second plenary session of the Conference of Latin American and Caribbean Political Parties For Peace and Against Intervention in Central America, that if the United States attacks Nicaragua directly, the truce in Colombia will end. On behalf of the general staff of the Revolutionary Armed Forces of Colombia, FARC, and of thousands of fighters grouped on 27 fronts, he extended a very cordial greeting to the Nicaraguan Government and people. Guaraca added that the Colombian people are attentively watching what is happening in Central America, because Latin America's right to autonomy will be determined in this area. A message signed in the Colombian mountains by Manuel Marulanda Velez, commander in chief of FARC, and the other members of the secretariat of the guerrillas' general staff, adds that if Nicaragua achieves self-determination and respect for its sovereignty, it will be a good sign for all of Latin America.

KISAN ACCUSES SANDINISTS OF USING CHEMICAL WEAPONS

PA171250 Panama City ACAN in Spanish 1930 GMT 16 Feb 86

[By Armando Cerrato]

[Text] Tegucigalpa, 16 Feb (ACAN-EFE) -- The main anti-Sandinist Indian organization today accused the Nicaraguan Army of using chemical weapons. The Council of the Elders of Kisan [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples] charged that the Sandinists have bombed areas near the Prinzapolka Rivera, near the Nicaraguan Atlantic coast, with incendiary and toxic chemicals. Kisan is the new name that groups the 4,000 anti-Sandinist indigenous fighters that were grouped under the acronym of Misura [Miskitos, Sumus, and Ramas] until 1985, and who are fighting mostly in the northern and central part of the Nicaraguan Atlantic area.

The rebel organization points out that one of the bombs fell in the water releasing a yellow substance that killed thousands of fish. "These waters that are now contaminated by the Sandinists," the Kisan communique added, "were being used not only by the warriors of our organization, but also by the permanent residents of the area." The Nicaraguan Indian elders estimate that approximately 150 persons were killed in the recent Sandinist bombings in various villages. Kisan described the actions of the Air force of the Sandinist People's Army as "barbaric genocide" because "after the planes and helicopters bomb the area they return to indiscriminately machine-gun the fleeing residents."

The Indian organization also charged that over 1,000 persons have entered Honduras during the last week of February [as received], seeking refuge and fleeing from the Sandinists, "who insist on commiting racial genocide," according to Kisan. The communique adds that the organization has reported these charges to the OAS through its Human Rights Commission. It also said that it has requested that the U.S. Congress and President Ronald Reagan send humanitarian aid, and it has requested that several Christian organizations in Nicaragua and Honduras help the refugees.

Kisan was founded to replace Misura in 1985 after expelling military chief Steadman Fagoth Muller from its ranks, charging him with trying to take over the entire organization from the Council of the Elders. The organization includes Miskito, Sumu, and Rama Indians and the Creole population of the Atlantic Coast of Nicaragua. There are 18,000 Nicaraguan Indians who are refugees in the Honduran Mosquitia, bordering with Nicaragua.

SUPREME COURT TO RULE ON RADIO CATOLICA APPEAL

PA141635 Managua EL NUEVO DIARIO in Spanish 13 Feb 86 p 6

[Text] The appellate court of Region No. 3 (Managua) admitted over the weekend the appeal filed by the owners of Radio Catolica after the station was closed for an indefinite period for flagrantly violating orders from the Communications Media General Directorate. As can be recalled, Radio Catolica, which is managed by Father Bismarck Carballo, spokesman for the archbishopric, adopted a rebellious attitude on 31 December 1985. The station refused to obey the order from the media directorate to broadcast the new year message on the radio network, which was created for that purpose. The writ of appeal has been sent to the Supreme Court of Justice, which will issue a ruling in the next few days.

FURTHER REPORTAGE ON THIRD PCC CONGRESS ACTIVITIES

Bulgaria's Aleksandrov Speech

AU082120 Sofia RABOTNICHESKO DELO in Bulgarian 6 Feb 86 p 5

[Speech by Chudomir Aleksandrov, member of the Politburo and Central Committee of the Bulgarian Communist Party [BCP], to the Third PCC Congress at Havana's Palace of Conventions on 5 February: "Common Goals and Ideals -- Greetings of the BCP Central Committee to the Third Congress of the Communist Party of Cuba"]

[Text] Dear Comrades,

With feelings of joy and deep satisfaction I carry out the instructions of the BCP Central Committee and of its General Secretary Comrade Todor Zhivkov, personally, to convey most cordial greetings to you, the delegates and guests at the Third PCC Congress, and to transmit to you the warm fraternal greetings and good wishes of the communists and workers of the People's Republic of Bulgaria.

Our presence among you during the days of this high forum is an expression of our party's and people's respect and admiration for the remarkable achievements which socialist Cuba has recorded under the leadership of its glorious Communist Party. It is an expression of our solidarity with the fearless and steadfast Cuban people.

Your congress is an event of vast significance for the further comprehensive advance of the Cuban revolution, which has transmitted the flame of the Great October Revolution to the American continent. This is a congress of a party inseparably linked with the fate and fighting traditions of its people, a party which consistently applies in its daily practice the great Marxist-Leninist teachings and which unyielding stands on the principles of proletarian and socialist internationalism.

We have listened with great attention to the report of the PCC Central Committee presented to the congress by Comrade Fidel Castro. It contains a profound and critical analysis from Marxist-Leninist positions of what has been achieved and outlines the main goals in the party's forthcoming activities.

The well-founded speeches of the delegates, the prospects opened in the documents discussed, and the realistic approach toward the problems of socialist construction are vivid evidence of the maturity of the party of the Cuban communists and of its cadres and members. There is no doubt that the directions of Cuba's socioeconomic development during the 1986-90 period are a sure landmark for the country's further socialist progress.

The balance sheet drawn up by the congress once again convincingly demonstrates the advantages of the new path which Cuba was the first to choose among the peoples of the New World -- the path of socialism. The testament of Jose Marti for the building "by all and for the good of all" of a "united, cohesive, and humane motherland" has been truly implemented by modern Cuba, which has exceeded the boldest dreams of its thousands of fighters for national and social liberation.

This is a great historical service of the PCC led by Comrade Fidel Castro, universally recognized leader of the Cuban revolution and prominent figure of the international communist and workers' movement. It is a service of the selfless Cuban people, rallied around their communist vanguard.

By their self-sacrificing labor the people broke out of the captivity of poverty, illiteracy, and injustice and ensured the fast and comprehensive development of their native land, defended their achievements with their bodies, and today do not bow their heads before the difficulties or before the unceasing threats and provocations of imperialism.

By its consistent high-principled policy of peaceful cooperation in Central America and throughout the world and by its contribution in the struggle for lessening international tension and preventing the risk of thermonuclear war, Cuba has earned the immense respect of all progressive and democratic services. Its active role in the Nonaligned Movement and energetic actions to solve as a matter of urgency the problem of the developing countries' foreign debts are raising its international authority still higher.

The BCP and the Bulgarian people take joy that they possess in fraternal Cuba a faithful comrade and adherent to shared views in our common struggle against imperialism and war, for peace and socialism. We are glad that our parties, countries, and peoples are linked by a sincere and unbreakable friendship and are bound together by common goals and ideas. On the basis of the principles of Marxism-Leninism and socialist internationalism, Bulgarian-Cuban relations are continuously deepening in all areas of life, are promoting the drawing together of the millions of people of our two countries, and are contributing toward multiplying our successes in socialist construction. The joint activity of Bulgaria, Cuba, and the other socialist countries in CEMA is an example of how true international cooperation can serve every people and raise the might of socialism to new heights.

Allow me to repeat the words of Comrade Todor Zhivkov, who said: "The comprehensive interaction between the People's Republic of Bulgaria and the Republic of Cuba is a cause of two peoples who know the value of fraternal solidarity and internationalism, of friendship and unselfish brotherhood, and for this reason it has a sure future and cloudless prospects."

Our friendship is also rich by virtue of our fraternal unity with the great Soviet Union, which is the chief supporter of peace and security in the world and of all peoples who are striving toward the bright ideals of freedom, social equality, and human progress. Like the Cuban people, the Bulgarian people give a high assessment to the vast experience of Lenin's native land in the building of the new order and will continue in the future to strengthen their friendship and comprehensive cooperation with the USSR for the further consolidation and unification of the socialist community and for the triumph of our common communist cause.

Dear Cuban Comrades, for the Bulgarian communists and also for the entire Bulgarian people, this year is one for balancing accounts. In Sofia the 13th BCP Congress will soon be held, which will impart a fresh revolutionary impulse to the further socialist construction of Bulgaria. We are preparing for this great event with a feeling of satisfaction with what has been achieved and with optimism for the future. In spite of the severe consequences of the prolonged drought in the last 2 years, the Eighth 5-Year Plan was overfulfilled. Strong and proud of their achievements, the Bulgarian people are united and cohesive around the Leninist April line of the BCP, led by Comrade Todor Zhivkov, and are successfully carrying out the BCP's outlined designs. Even the most vicious anticommunist slanders and anti-Bulgarian campaigns of imperialism are not capable of impairing our homeland's international prestige.

Now our efforts are directed at ensuring dynamic economic development on the basis of the accelerated introduction into practice of scientific and technological progress, the intensification of production, and raising quality in all activities in order to further raise the material and spiritual level of the workers. We see the guarantee for our continuous advance in the fulfillment of these tasks.

Dear Comrades, in the past years the world has been living in an exceptionally complex and alarming situation. The continuing arms race, for which imperialism is responsible, and the attempts of the militaristic circles in the United States to extend the arms race into space increase the threat of thermonuclear war and are becoming an ever heavier burden for nations. This fact brings to the forefront the fight for preservation of peace, for not permitting the arms race in space and for halting it on earth, and makes this fight a cardinal issue of the day.

In the front ranks of this struggle stand the USSR and the other Warsaw Pact member states, the peaceful initiatives and proposals of which are in accordance with the interests of all peoples throughout the world. Our united course in foreign policy was confirmed at the conference of the Political Consultative Committee held on 23 October 1985 in Sofia.

At the beginning of the International Peace Year declared by the United Nations Organization, the Soviet Union once more set an example of consistency, high responsibility, and of a realistic and global approach toward implementing the agreements reached at the Soviet-American summit meeting in Geneva. The new all-embracing peace initiatives set out in the 15 January 1986 declaration of Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, once again prove in an incontrovertible manner the USSR's unshakable will to promote by concrete actions an improvement in international relations and a strengthening of political trust. These initiatives indicate real paths for progress in the negotiations on disarmament, for moving toward complete elimination of nuclear weapons, and for building a world without wars. For the attainment of these aims, well-intentioned actions of response are needed on the part of the United States. Joint efforts are needed for all who hold peace and a secure future dear.

The BCP and the Government of the People's Republic of Bulgaria welcome and unreservedly support the proposals contained in this exceptionally important document, which represents a real and constructive program for an active struggle in the name of peace. We will continue in the future to do everything within our power for the elimination of the risk of thermonuclear war, for disarmament, for the establishment of trust and cooperation between peoples, and for solving the global problems of mankind.

Remaining true to its international traditions and to the legacy of Georgi Dimitrov, the great son of the Bulgarian people, the Bulgarian Communist Party declares its constant solidarity with the peoples of Asia, Africa, and Latin America who are fighting against imperialism, neocolonialism and reaction, and racism and apartheid for liberty, social justice, peaceful and independent development, democracy, and social progress. We declare our solidarity with the struggle of the Nicaraguan people in defense of their revolutionary achievements, with the fight of the patriots in El Salvador, and with all progressive forces in Chile, Paraguay, and Haiti.

I would like once again to assure you, dear Cuban brothers, that we will always be alongside you -- in your inspired work to implement in practice the decisions of the Third PCC Congress, in your firm defense of your socialist present, and in your confident progress toward the bright communist future.

We believe in Cuba, we believe in the creative and constructive energy of its bold and freedom-loving people, and we believe in the fighting capacity and mobilizing power of the Communist Party of Cuba.

Cuba has won a victory. Cuba is alive and will be victorious!

Glory to the Communist Party of Cuba -- inspirer of the historic achievements of the people of the island of liberty!

Long live the fraternal, indestructible Bulgarian-Cuban friendship! Long live peace and communism!

Venceremos!

SRV, Burkina Faso Delegates Depart

FL141630 Havana Radio Progreso Network in Spanish 1200 GMT 14 Feb 86

[Text] Politburo member Commander of the Revolution Juan Almeida Bosque has seen off at Jose Marti Airport Nguyen Van Linh, Political Bureau member and Ho Chi Minh City first secretary of the Communist Party of Vietnam, who was a guest at the party congress.

Blaise Campaore, member of Burkina Faso National Revolutionary Council, minister delegate of the presidency, and justice minister, also has departed. He was seen off by Politburo member Jorge Risquet and alternate Politburo member Ulises Rosales del Toro.

Guinea Bissau's Vieira Departs

FL151354 Havana Radio Progreso Network in Spanish 1200 GMT 15 Feb 86

[Text] Army General Raul Castro, second secretary of the PCC, has accompanied to the airport Division General Joao Bernardo Vieira, secretary general of the African Party for the Independence of Guinea Bissau and Cape Green and president of Guinea Bissau.

Politburo members Jorge Risquet and Osmani Cienfuegos also accompanied the African leader to the airport, who was attending the Third PCC Congress.

CHURCH OFFICIALS ARRIVE FOR CATHOLIC CONFERENCE

Madrid Cardinals

FL171858 Havana Television Service in Spanish 1800 GMT 17 Feb 86

[Text] Cardinal (Eduardo Pironio), President of the Pontifical Lay Council, and Monsignor Carlos Amigo Vallejos, archbishop of Seville, arrived last night from Madrid to participate in the ecclesiastical meeting that began this morning in our captial city.

The ecclesiastics were received at Jose Marti International Airport by Jose Felipe Carneado, chief of the Office of Religious Affairs of the Central Committee of the Communist Party of Cuba, Monsignor Jaime Ortega, archbishop of Havana, Monsignor Dario Castrillon, secretary of the Latin American Bishops Conference (CELAM), other members of the Cuban bishops conference, and the Papal Nuncio in Havana, Mr. (Julio E. Inaudi).

Conference Opens

PA180325 Havana International Service in Spanish 0000 GMT 18 Feb 86

[Text] On Monday, the meeting of Cuba's national church opened in Havana with delegates in attendance from all over the country. The conference seen as the culmination of a process of reappraisal of the church's position regarding the nation's social reality. Let us now listen to the work done in this respect by Companera Barbara Bethancourt. Barbara, the microphones of the "Evening News Review" are all yours.

[Bethancourt] Indeed, friends. As our anchorman correctly said, the meeting of Cuba's national church opened here on Monday. Prior to this meeting, Msgr Carlos Manuel de Cespedes, secretary of the Cuban Episcopal Conference and vicar general of the diocese of Havana, talked with local and foreign newsman about this event.

[Begin De Cespedes recording] The church meeting, the working document which the delegates have studied, which is the fruit of the seven diocesan meetings of last year, and the final document [documento conclusivo], that will emanate from this church meeting, do not seek to exhaust all topics concerning the life of the Catholic Church in Cuba. They refer only to the situations that have been regarded as most important, in our opinion; that is, all those requiring particular reflection.

Even these very same realities that have been broached may be enriched through reflection and the subsequent life of the church in Cuba, which will continue after the church meeting.

It is worth making this final clarification: The church meeting has no legislative value insofar as the Catholic Church is concerned. It is a meeting of a pastoral and consultative nature. Without a doubt, the final document will have a high value as a source of ideas [cantera]. The Episcopal Conference is the one that is called upon to determine the pastoral priorities that the Catholic Church will adopt in Cuba. However, the conference cannot disregard this event or the document that will emanate from it. [end recording]

[Bethancourt] Msgr Carlos Manuel de Cespedes also referred to certain developments that show the improvement of relations between the church and the Cuban state.

[Begin De Cespedes recording] I think that the fact that Dr Fidel Castro made a positive assessment of the Christian presence in Latin America is important. I also view as important, referring now to Cuban domestic affairs, that there is a better understanding of the religious fact [hecho religioso] and of religious people in Cuba's society, which will evidently facilitate all types of dialogues and mutual understanding among our people.

It is important to note that at the beginning of this process, which we have come to call Cuban Church Reflection [Reflexion Eclesial Cubana] , REC, within which the church meeting is an important event, we did not think or have in mind at that time, 7 years ago, the coincidence -- which from a standpoint of faith I would describe as providential -- of the church meeting with certain developments in the life of our country that have facilitated or been geared to the direction of this dialogue and this understanding.

We have, for example, the meetings that, as is known, have been held recently by the bishops and the country's highest authorities; the appearance of Fray Beto's book together with the interview with Dr Castro about religion; as well as this more positive assessment of religion in general by the Third PCC Congress. [end recording]

[Bethancourt] Regarding the difficulties that certain Cuban religious men may have experienced during these last few years because of their pursuit of their faith, Msgr de Cespedes said the following:

[Begin De Cespedes recording] Regarding this topic, this is a reality which Dr Castro broached himself during his interview with Fray Beto. He admitted that even though the Cuban legislation precludes any type of discrimination with regard to believers or any other category of people, in fact, and for historical reasons, there have been instances of discrimination in Cuba throughout this whole revolutionary process. In the book (?on) his interview with Fray Beto, Castro expresses his will -- and not only his will, but that of the Cuban Government -- that this be eliminated. And he says -- and I think that he correctly says so -- that this is because of ethical and aesthetic reasons. In other words, this involves an ethical problem, but there is also a problem of a broad understanding of the revolutionary aesthetics. In other words, he has clearly expressed his views in this regard.

To delve further on your questions, I also think that although this is a real, evident fact in the history of Cuba of these last few years and also that this is a complex fact, we cannot judge in a Manichean manner, placing the full responsibility on one side. One must know how to look at the nuances [matizar] of all of these historical situations. I also think that the trend in the last few years has been along the line of not increasing discrimination. On the contrary, the line has been to diminish these problems. [end recording]

Church Sees Dialogue as 'Valid'

PA162039 Madrid EFE in Spanish 1300 GMT 16 Feb 86

[Excerpts] Havana, 16 Feb (EFE) -- The Cuban Catholic Church acknowledges in a document that will serve as basis for the next National Ecclesiastical Meeting that "the steps recently taken offer the hope of a constructive dialogue" between that country's church and state. It also predicts that this dialogue "may have profound repercussions on our mutual relations."

Despite acknowledging dialogue as the "valid path" chosen to fulfill the church's inclinations, it admits that not all its members are ready for this dialogue.

The Cuban Catholics' "working document" indicates that "it is the task of the church in Cuba to find the suitable means to bring about the dialogue which, in the name of the love and universal saving will of God, we must strive to establish."

In the section entitled "The Cuban Catholics and the Socialist State," it notes that "in the face of atheistic and secular systems, the church proposes dialogue as the means to solve the problems that differing concepts of the world and of man might present." It adds that the church in Cuba, "through its hierarchy and clergy in general, as well as through its most committed laymen, has tried to find the paths leading to a dialogue between Catholics and Marxists." On the subject of the Church's inclination to dialogue, the study, which makes a historical review of evangelization in Cuba, presents the situation of Catholics in the country, the options for the future, and a detailed and lengthy agenda and says: "The Church is not moved by a proselyitzing spirit, but merely wishes to contribute to the common good of all our people."

It insists that it "does not seek privileges, but instead wishes to have, more and more every day, the possibility of serving the Cuban people under equal conditions as nonbelievers, because just as being believers should not lead to personal advantages in society, neither should being nonbelievers."

The document stresses that "Cuban Catholics are not satisfied with merely surviving. Today we face the huge task of rethinking and assuming a responsiblitiy for our past, acknowledging our mistakes, transforming our pastoral structures, and renewing our faith in order to fulfill the Church's secular evangelization mission."

It asserts: "The Church in Cuba today lives under a sign of hope and the conversion to Christ, master of history, wishing to be a sign and sacrament of communion for the entire Cuban people."

The National Ecclesiastical Meeting, slated for 17-23 February, will gather 181 delegates, 25 percent of whom are priests and other church people, while the remaining 75 percent are laymen.

Church Leaders' Remarks

PA162210 Hamburg DPA in Spanish 1925 GMT 16 Feb 86

[By Juan Carlos Salazar]

[Text] Havana, 16 Feb (DPA) -- The opening of Fidel Castro's government to the Catholic Church is a process of detente that began 3 years ago and that is removing the veil of taboo that was covering religion. The faithful are returning to the churches, which had been empty for many years, and the Church hierachy is moderately optimistic about a new era of cooperation.

The archbishop of Havana, Msgr Jaime Ortega, told DPA that the Cuban Church has recently passed from the stage of survival to the state of coexistence with the socialist state. The secretary general of the Bishops Conference, Msgr Carlos Manuel De Cespedes, feels that "there is not an ideological loosening of the system, but rather a greater economic pragmatism and greater understanding in the cultural and religious aspects."

The Cuban hierachy largely attributes this opening to the political needs of President Fidel Castro, who in recent months has taken significant steps to this effect. Last year, he authorized a meeting between Cuban and U.S. bishops in Havana, and he met twice with the local hierarchy to analyze common problems. He has also invited Pope John Paul II to visit Cuba, and he is expected next year.

Msgr Ortega said that there "are several reasons for this opening." He added: "Fidel is, above all, a politician, but he himself says he has more than political reasons for taking a new approach to the religious issue, adding that he has ethical and aesthetic reasons, because the revolutionary work would not have been done well if there was a subtle discrimination against Christians." Msgr De Cespedes said that in addition to the political reasons Castro has -- such as "improving his image in Latin America" -- there are personal reasons. "At 60, every man tries to bring his life together, to solve the jigsaw puzzle of his life, and it is normal for him to try to bring a religious factor into his life." The prelate then referred to the Catholic education Castro received as a young boy in a Jesuit school. "However, I also think there is an evaluation of the religious phenomenon," he added.

The Cuban leader recently explained his viewpoints on the subject in an interview with the Dominican Brazilian priest Fray Beto, who published a book that has sold 600,000 copies in Cuba.

"It is a positive book, said Msgr Ortega, because "it brought the subject of religion out of the seclusion to which it has been consigned and removed all the myths surrounding the subject in Cuban society."

The Church-state relations were difficult in the first years of the revolution. "At first, there was a national agreement and the Church supported the revolutionary movement, but the revolution quickly became more radical and the confrontation did not take long to occur," Msgr Ortega recalled. The church was accused of being counterrevolutionary. Many priests were expelled and others voluntarily left. The number of priests droppped from 800 to 210. Only 102 Cuban priests have been ordained in the last 12 years.

The social proposals of the Vatican Council II and of the Medellin Conference in the Sixties influenced the Cuban Church and state and made possible the rapprochement. "In the Seventies, we began a new path, no longer for surviving, but for coexisting. Recent years have been a state of peaceful coexistence," said the archbishop of Havana.

Msgr De Cespedes said that in recent years, the Cuban government has understood the religious phenomenon better; and the Church has understood the revolution better. The Church is claiming today as Christian ideals many of the social achievements of the revolution.

"I am referring mainly to its real concern over meeting the vital needs of the poorer people, to its real desire for social justice. I am thinking of the peasants, of the people who live in the slums. The revolution was positive for them, because they wanted justice. To this effect, I think there is a concurrence between Christian ethics and revolutionary ethics," he emphasized. When asked a specific question, Msgr De Cespedes said that the Cuban regime "respects basic human rights, the rights to life, although obviously there is no freedom of expression or association." The prelate added: "I am not a Fidelist, but judging from his latest actions, I cannot imagine that Fidel Castro is the Devil personified."

Last year the government and the Church began a series of meetings to discuss their problems. "It is a dialogue where problems were discussed clearly, without evasion, without polemics or diplomacy," said Msgr Ortega. Only two meetings have taken place so far -- on 8 September and 12 November -- and a third meeting is expected following the National Ecclesiastical Meeting to be held next week in Havana.

The expectations of the Church in these talks are linked, in the first place, to a more objective understanding of the religious phenomenon of the part of the government. "Castro can create an atmosphere of confidence that allows the believers to develop a normal religious life," said Msgr De Cespedes.

The Church is also expecting that the problems which the believers are still confronting in the centers of study and work will be eliminated, "although we have had no complaints in the last 2 years." He added: Believers are still considered as persons that do not merit confidence."

In the field of education, the Church is proposing "a neutral education, that will not teach religion, but that will not fight it either or teach atheism." Likewise, the Church wants to have access to the communications media, through the state press or its own means. The Church now has one bulletin, "Vida Cristiana," and its 80,000 copies are distributed on Sundays in the churches.

Lastly, the Church is hoping that membership in the only party, the Communist Party, will be opened to the believers. "It would be desirable to have a cetain pluralism within the party," said Msgr De Cespedes.

To this effect, Msgr Ortega said that in order for this to exist, the party would have to cease demanding atheism as a condition for membership.

"We should not create expectations about the results of these meetings, but both parties feel they should not be just simple contacts," pointed out Msgr Ortega, who said, however, that he felt "moderately optimistic" about the dialogue.

'UNDERSTANDING' FOR UN FOOD ASSISTANCE SIGNED

FL142204 Havana Radio Reloj Network in Spanish 2132 GMT 14 Feb 86

[Excerpt] For the purpose of compensating Cuba for damages resulting from Hurricane Kate, a letter of understanding has been signed in Havana between the Cuban Government and the UN World Food Program [WFP].

WFP assistance consists of the donation of 858 metric tons of vegetable oil and 532 metric tons of beans, valued at $1,381,000, including the cost of transporting the foods to national ports.

Other international UN organizations also approved urgent contributions for Cuba to alleviate the affects of Hurricane Kate on the population and the economy.

TRADE UNIONS TO SELECT REPRESENTATIVES

FL180220 Havana Television Service in Spanish 0100 GMT 18 Feb 86

[Text] More than 50,000 Cuban trade unions will begin the process of renewal or ratification of their cadres' guidelines between 20 February and 31 March. Rene Penalver, Central Committee member and second secretary of the Central Organization of Cuban Trade Unions, reports on the preparations for and importance of the process.

[Begin recording] There is a positive environment. The conditions have been created and we aspire to have this be the most democratic process in all history. At these meetings, the workers will be able to select their representatives, the most capable workers, with the best attitudes, and the more qualified who will be able to carry out the work of their respective trade union sections for the corresponding period. With the same profound enthusiasm and spirit of our peoples, the working class, workers in general, have received the results of the Third PCC Congress. They will express themselves in the electoral process.

I do not have the slightest doubt that the workers will select their best representatives and that it will be a great contribution in preparing our trade union organization, which undeniably plays a determining role in the struggle for completing the agreements reached at the Third PCC Congress so that we can have a strong, powerful trade union in the next [5-year] period, which will be able to carry out the great tasks that the Third PCC Congress agreed upon and in which our trade union will play a decisive role. Why? Because it has to do with how the trade union prepares the masses to defend the struggle for maximum economic efficiency, to avoid deficiencies, to make more rational use of resources, to follow conservation so that our work centers can struggle for profitability, and, finally, so that the trade union can contribute with the workers' direct participation. [end recording]

'IMPLICIT' RECOGNITION OF HAITI ANNOUNCED

PA141536 Paris AFP in Spanish 1433 GMT 14 Feb 86

[Excerpt] Santo Domingo, 14 Feb (AFP) -- Foreign Minister Jose Augusto Vega Imbert today announced the Dominican Republic's implicit recognition of the new Haitian Government, adding that his country will contribute to the democratic process and the social and economic development of the country with which it shares the island of Hispaniola.

In statements published today by the newspaper LISTIN DIARIO, Foreign Minister Vega said that "the Dominican Republic maintains diplomatic relations with Haiti," which was interpreted as tacit recognition of the National Government Council, a six-member group that 1 week ago replaced lifetime President Jean-Claude Duvalier, who has left the country.

Vega Imbert gave an outline of the official Dominican position in response to the new political situation prevailing in Haiti, a country with which Santo Domingo has traditionally maintained complex and difficult relations.

In general, he pointed out, the social deomcratic government of President Salvador Jorge Blanco is willing to collaborate with Haiti's democratization, and will contribute to create awareness in international organizations over the need to help that impoverished country.

In this regard, Vega said that the Dominican Government plans to promote increased economic aid to Haiti and the OAS.

REFUGEE CENTERS FOR HAITIANS CONSIDERED

FL131401 Bonaire Trans World Radio in English 1130 GMT 13 Feb 86

[Text] The government of President Salvador Jorge Blanco says it will consider establishing refugee centers for Haitians if more violence breaks out in the neighboring country. The government says provisional centers would provide temporary shelter, food, and medicine to Haitians who flee their homeland.

President Jorge Blanco closed the border between the Dominican Republic and Haiti when President Duvalier left Port-au-Prince February 7th. Officials have not said when the border will be reopened.

WORLD MARKET SUGAR PRODUCTION HALTED

FL130400 Santo Domingo LISTIN DIARIO in Spanish 4 Feb 86, pp 1, 4

[Excerpt] It was reported yesterday that the State Sugar Council [CEA] has decided not to produce sugar for sale in the world market this year. The measure implies that the CEA will discontinue producing approximately 300,000 tons, which is what was sold to the world market last year. CEA sources said yesterday that they will only produce enough to meet this year's quota in the U.S. market and, it is possible that additional quotas will be received, attend to the local market. The decision was based on depressed sugar prices.

REGIONAL LEADERS TO MEET PRIOR TO REAGAN SUMMIT

FL172314 Bridgetown CANA in English 2213 GMT 16 Feb 86

[Text] St Georges, FEb 15, CANA -- Caribbean leaders attending Thursday's summit in Grenada with U.S. President Ronald Reagan are expected to hold a meeting of the recently-formed Caribbean Democratic Union (CDU).

In making the disclosure, Grenada's Public Utilities Minister Dr Keith Mitchell, who is the general secretary of the ruling New National Party (NNP) here, said the CDU leaders would be meeting among themselves one day before the meeting with Reagan.

The CDU, a grouping of so-called like-minded democratic parties in the English-speaking Caribbean, was recently launched at a meeting in Jamaica during which Prime Minister Edward Seaga was voted as its first president.

Mitchell told CANA that the CDU leaders are expected to discuss strategies, as well as methods and ways in which to strengthen the organization which would seek to build the democratic process in the English-speaking Caribbean.

He rejected suggestions from Caribbean leftwingers that the CDU which has the backing of the U.S. is an attempt by right-wing elements in the region to maintain their hold on political power in the area.

I don't see why some people seem to be jumpy about our decision to get together and talk because the so-called leftwing elements have been meeting for many years and discussing ways in which to destroy the democratic process, to create havoc and pain, and suffering on the mass of people in the Caribbean, he said.

Mitchell who attended the Jamaica meeting where the CDU was launched stated that its leaders see the need to adopt similar tactics to deal with attempted leftist subversion since the behavioral patterns of these elements are same in the respective territories.

One thing for sure is that we are not talking violence to counteract their methods of attempting to destroy our democratic processes. We are talking about effective methods to deal with the leftist insurgencies in the Caribbean, he said.

Grenada's governing party at a recent national executive meeting agreed to ratify its membership of the CDU.

GRENADA

BLAIZE ANNOUNCES PROGRAM FOR REAGAN VISIT

FL151754 Bridgetown CANA in English 1711 GMT 15 Feb 86

[Text] St Georges, Feb 15, CANA -- Prime Minister Herbert Blaize confirmed last night that eight Caribbean leaders will join him in discussing economic and security matters with President Reagan next Thursday.

Speaking on his weekly radio broadcast, Blaize said the prime ministers of Antigua and Barbuda, Barbados, Dominica, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, and Trinidad and Tobago had accepted his invitation to attend the one-hour summit.

Reagan's trip, the first by an American persident to Grenada, is expected to last three hours and thirty five minutes.

The U.S. President is due to arrive at Grenada's Point Saline International Airport at 1:45 p.m. local time to a 21-gun salute.

He will unveil a commemorative plaque at the airport, take part in a ceremony at the American medical school on the island in memory of 19 U.S. servicemen killed during the 1983 U.S.-led invasion, hold bilateral talks with Blaize and Governor General Sir Paul Scoon, and deliver a 15-minute address at a public rally.

He said that arrangements are being made to provide islandwide transportation to bring people to the rally, and that small schooners would ferry residents from Grenada's sister islands of Carriacou and Petit Martinique.

LEFTIST GROUP CALLS FOR REAGAN VISIT BOYCOTT

FL150020 Bridgetown CANA in English 2244 GMT 14 Feb 86

[Text] St Georges, Feb 14, CANA -- The leftwing Maurice Bishop Patriotic Movement (MBPM) today called on Grenadians to boycott Thursday's four-hour visit here by U.S. President Ronald Reagan.

The MBPM, named after the Grenada Prime Minister slain in a 1983 coup, today started circulating a one-page pamphlet declaring that no patriot should welcome here someone who invaded our sovereign country.

U.S. and Caribbean troops stormed Grenada nearly two-and-a-half years ago to topple a leftist junta that had seized power in the bloody coup in which Bishop was executed.

The MBPM, headed by former Bishop cabinet colleague Kendrick Radix, said it would hold its own mass patriotic rally at the St Georges Market Square on the same day Reagan is due to become the first American president to visit Grenada.

The function will be held about a mile from where Reagan is due to address a public rally during his visit for bilateral talks with Grenada and other Caribbean Community (CARICOM) leaders on regional security and economic matters.

MBPM says boycott all activities of the Reagan visit. MBPM calls all patriots and real democrats to attend a mass patriotic rally at the market square onFebruary 20, 1986. Rally for peace, independence, and freedom of our nation. Grenada must be Grenadian, the pamphlet said.

HAITI

MAYOR FRANK ROMAIN TO RUN FOR PRESIDENCY

FL151302 Bonaire Trans World Radio in English 1130 GMT 15 Feb 86

[Text] Several Haitian politicians have declared themselves candidates in any future presidential elections in Haiti. Among thsoe who have declared themselves available for the presidency of Haiti when elections come about is Mr Frank Romain, mayor of Port-au-Prince in an election which was described by many foreign observers as fraudulent. Mr Romain, a personal friend of former Haitian leader Francois Duvalier and recently deposed President Jean Claude Duvalier, is the first pro-Duvalierist to state his intention to run for the presidency.

GROUP URGES DISMANTLING OF DUVALIER STRUCTURES

PA180248 Paris AFP in Spanish 1954 GMT 17 Feb 86

[Text] Caracas, 17 Feb (AFP) -- Today, the Rally of the Nationalists Democrats-Progressivists of Haiti [*Reagrupamiento de los Democratas Nacional-Progresistas de Haiti*, RDNP] renewed its appeal to the Haitian National Government Council (CNG) to adopt measures of "de-Duvalierization" [desduvalierizacion].

RDNP Secretary General Leslie Manigat delivered to AFP in Caracas a copy of the message sent to the CNG, headed by General Henri Namphy. The RDNP welcomed certain CNG measures "such as abolishing the presidency-for-life, officially disbanding the Tonton Macoutes militia, reinstalling the legislative chamber, and returning to the blue and red flag."

However, the RDNP was surprised that after these measures were adopted, other urgent measures have not yet been adopted, such as "a decree of general amnesty leading to the release of all the political prisoners, allowing the free return of exiles to their fatherland, and, as a corollary, abolishing a return visa which was granted at the discretion of the ousted regime."

The RDNP letter stated that it refused to believe that the current government council would distort these advances toward democracy. The RDNP highlighted the presidency of Gen Namphy, "a career officer whose image seems to be that of an independent professional," and the presence of Gerard Gourges, "a human rights advocate who has become minister of justice."

In addition, the RDNP stated its support for the recent "Gonaives manifesto", which is a list of demands made by the Haitian internal opposition, as it concurs with the RDNP's democratic demands issued on April.

According to the RDNP, these demands included "going from a popular, spontaneous, inevitable, watchful, legitimate, and vindictive justice, to an institutional, legal, and impartial yet punitive justice to try the most well-known torturers and notorious thieves."

Manigat announced his willingness to return to Haiti "to participate, together with my political friends, in the difficult task of rebuilding the country." Manigat told AFP that some 1,500 followers of the RDNP, Social Democrats, and Christian Democrats Union, in several Caribbean capitals, are also waiting to return.

To end, the RDNP's message to the CNG insisted that "under the current circumstances, all responsible actions must seek to satisfy the legitimate demands of the people after 28 years of a criminal and suffocating dictatorship."

SCHOOLS REOPEN; STUDENTS CALL FOR ELECTIONS

FL172356 Bridgetown CANA in English 1951 GMT 17 Feb 86

[By John Cotter]

[Text] Port-au-Prince, Feb 17, CANA-REUTER -- Haiti's new rulers today reopened schools shuttered January 7 by toppled dictator Jean-Claude Duvalier, but many students in the provinces stayed away to back demands for quick elections.

In Gonaives, a city 93 miles (150 km) north of this capital where the revolt was sparked last November by the murders of three students, bands of street youths on bicycles urged uniformed students to go home rather than on to classes.

The shouted appeals appeared to be effective. Many of the dozen or so small private schools, *though opened on schedule at 8:00 a.m.*, were less than a quarter filled and in a number of cases classes were simply suspended.

The director of one of the city's largest schools with a student population of 1,030 said however he expected all students would trickle back to the classrooms by midweek.

The boycott had been made in broadcast appeals from Gonaives, but appeared to be going unheeded in Port-au-Prince, which has an estimated lower and upper school population of 250,000. Reopened classrooms observed by reporters at mid-morning were better than three-quarters filled.

Leaders of the loosely organized rebellion centered in Gonaives have been calling for removal of the six-member military civilian government council almost from the start, saying most of its members and numerous Cabinet officials and ministers are tainted by past links to Duvalier.

GOVERNMENT 'CLOSELY FOLLOWING' RETURN OF EXILES

PA172209 Madrid EFE in Spanish 1840 GMT 17 Feb 86

[By Serge Beaulieu]

[Text] Port-au-Prince, 17 Feb (EFE) -- Today the schools of Haiti renewed their activities for the first times since they were closed on the first day of the school year as part of the strategy of former President Jean Claude Duvalier to quench protests.

However, in Gonaives, center of the Haitian rebellion, a school boycott is on the force the National Government Council being presided over by General Henri Namphy to establish a date for general elections.

The new government, which is headed by a civic-military junta, has ordered the return to classes now that the Duvalier regime has fallen. In this capital, uniformed young students are going to their schools. Namphy and the other five members of the National Government Council put themselves in charge of the government 3 hours and 30 minutes after the overthrow of Duvalier, who fled the country at dawn on 7 February.

Some sectors of Gonaives, in the country's south, are asking that the Haitian educational system now give priority attention to a literacy-promotion campaign and to the task of instructing the people on how to safeguard the environment. At least 85 percent of the Haitians are illiterate, and the nation is facing serious problems because of a deforestation problem that is endangering the ecology.

Meanwhile, Haitian exiles are beginning to return. Literature Professor Jean Claude Bajeux, who lived in Puerto Rico for years, and Felix Morisseau Le Roy, an expert in the Creole language who has been living in Africa, have returned after 22 years in exile.

Bajeux was arrested this past Friday, but Paul Latortue, an economics professor at the University of Puerto Rico, immediately denounced his arrest in San Juan. Bajeux was held for only a few hours.

The Haitian Government, which the authorities call a "transition government," is closely following the arrival of exiles to prevent the entrance of people with ideas of revenge against the Duvalier regime.

Although 10 days have gone by since Duvalier left, the people are still questioning some appointments in the civic-military junta and in some ministries because positions have been given to collaborators of the former president-for-life.

Meanwhile, the National Bank of Haiti has denied that Duvalier left only $1,049 in the National Treasure when he left the country. A spokesman for the bank has noted that "he only wanted to exchange 100,000 gourdes (the Haitian currency) for $100,000."

According to unofficial reports, Duvalier and his family took $400 million when they left the country.

5 TONTONS MACOUTES KILLED IN PORT-MARGOT

PA150211 Paris AFP in Spanish 2233 GMT 14 Feb 86

[Text] Port-au-Prince, 14 Feb (AFP) -- Five militiamen (Tontons Macoutes) were killed yesterday afternoon by the inhabitants of the townships of Port-Margot near Cap-Haitien, the second largest city in Haiti, some 260 km from the capital, it was learned today in Port-au-Prince.

The group, led by a militiaman named Gerard Obas, had been disarmed by the police in the city of Limbe (some 25 km from Cap-Haitien) in the past 2 days. However, the five "Tontons Macoutes" went to Port-Margot to carry out reprisals against the inhabitants. The bodies of the five individuals were burned and later deposited at the morgue of the hospital in Cap-Haitien.

BISHOPS CALL FOR END TO KILLINGS, LOOTING

FL142218 Bridgetown CANA in English 2204 GMT 14 Feb 86

[By Phil Davison]

[Excerpt] Port-au-Prince, Feb 14, CANA-REUTER -- Haiti's ranking bishops appealed today for an end to killing and looting and the nations new rulers bowed to protesters demands to replace the flag flown under ousted dictator Jean-Claude Duvalier.

The nations five leading churchmen called on Haitians to respect human life and property, a reference to murders of members of the Tontons Macoutes secret police and the looting of homes of people linked to them or to Duvalier, who fled the country one week ago. Today, your hearts are filled with joy. You have the right to express your relief. But, we beg you, do not turn to acts unworthy of the name Christian. Respect goods and human life, said the statement, signed in the name of the leading churchmen by Monsignor Francois Gayot, bishop of Cap Haitien. Do not kill anyone. Do not turn to looting. Pardon as Christ pardoned. Remember, Father forgive them for they know not what they do.

Life in Haiti was virtually returned to normal and is expected to improve further by Monday when the nation's schools are to reopen after a six-week closure caused by anti-Duvalier protests. Bowing to the will of anti-Duvalier protesters, the government decreed that Duvalier's red and black national flag will be formally replaced on Tuesday by the blue and red flag brandished by protesters over the past few weeks.